RESPONSIBLE retailing is our mission

71st Nova Scotia Liquor Commission Annual Report 2000-2001

Nova Scotia

Minister Responsible for the Administration of the Liquor Control Act

1800 Argyle Street, Suite 607
Halifax, NS B3J 2R5

Her Honour
The Honourable Myra A. Freeman
Lieutenant Governor of Nova Scotia

May It Please Your Honour:

I have the honour to submit herewith a report of the Nova Scotia Liquor Commission for the fiscal year ended March 31, 2001.

Rodney MacDonald
Minister Responsible for the Administration of the Liquor Control Act.

NOVA SCOTIA
LIQUOR COMMISSION

Douglas A. Caldwell, Q.C.
Chief Commissioner

The Honourable
Rodney MacDonald
Minister Responsible for the Administration of the Liquor Control Act
1800 Argyle Street, Suite 607
Halifax, Nova Scotia B3J 2RS

Dear Sir:

I have the honour to submit herewith the Annual Report of the Nova Scotia Liquor Commission for the period April 1, 2000 to March 31, 2001.

Sincerely yours,

Douglas Caldwell, Q.C.
Chief Commissioner

GENERAL MANAGER'S MESSAGE

POSITIVE TRENDS

The 2000/2001 fiscal year continued the positive sales and profit delivery trends experienced over the past few years. While growth trends did not maintain the very high levels achieved in the previous year, sales of $376.4 million dollars were $5.0 million or 1.4% ahead of last year. Profits, contribution to the Consolidated Fund of the Province, of $137.2 million dollars increased by $2.0 million over the prior year - the sixth straight year of improved economic performance.

Overall volume growth during the fiscal period was moderate at plus 0.3%. Spirits category volume increased 1.4%, Wine 4.0%, Coolers 26.9% while the Beer category declined by 0.7%. The Cooler category continues to show excellent growth based on new product activity and growing popularity across a wider segment of beverage alcohol consumers. On a comparative basis, the large Beer category showed volume decline as it was competing against a very strong prior year and was negatively impacted by less than positive weather during the early part of the key selling season.

ONGOING ACTIVITIES

The NSLC continued to implement programs and carry out activities that enhance service and provide value to our customers while meeting acceptable financial targets. Employee training opportunities, in-store programs and merchandising initiatives continue to be a high priority as they are critical to adding value and service for our customers. Upgrading of store locations, increasing technology utilization to improve planning and efficiency, organizational support of charitable initiatives and delivery of programs supporting responsible use of beverage alcohol are all areas of high priority and focus for the NSLC and its employees. As the interests and expectations of our customers evolve and change, the NSLC will continue to investigate and pursue new initiatives best suited to meeting these needs.

LOOKING AHEAD

During the current fiscal year the NSLC underwent an extensive review of its operations. As a result of this review a number of initiatives have been announced:

AGENCY STORES: The NSLC will institute an Agency Store Program to open agency stores in eight areas of the province to increase customer convenience in these communities. The locations are Advocate, Bass River, Freeport, French Shore, Iona, New Ross, Wentworth Valley and Whycocomagh. Over time and as conditions permit, the NSLC will continue to evaluate its store network and modify it according to a business case analysis, on a case by case basis, while taking into account the needs of the shareholders, the client base and employees.

WAREHOUSING/DISTRIBUTION: An initiative will also be undertaken to determine if there is a positive business case to be made for providing existing warehousing and distribution functions by alternate means. A Public Call For Proposals will be issued to allow submissions that will provide the widest range of options possible for review and evaluation.

LICENSEE SERVICE: Changes have been approved to provide for the use of credit cards by licensee customers when making purchases from the NSLC. The necessary changes to the Regulations have been made and the very important licensee community can now benefit from this additional payment option.

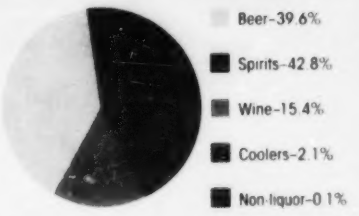
PRIVATE RETAILERS: With an objective of providing additional product choice to consumers, an initiative will be undertaken to allow Private Wine and Specialty Liquor Retailers to participate in achieving this goal. The plan is for these outlets to be located in urban centres and limited in numbers so that the impact of this initiative can be assessed.

GOVERNANCE MODEL: The government has also announced that the Liquor Commission will become a Crown Corporation accountable to a Board of Directors drawn from a cross section of Nova Scotians. The Board of Directors will be accountable to government.

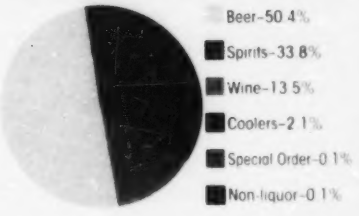
These new initiatives combined with the many programs and services offered by the NSLC will enable the organization to meet the needs of its customers as we move forward. We would like to thank our customers, suppliers, employees and Board of Commissioners for their participation and support throughout the year.

Gary D. Findlay

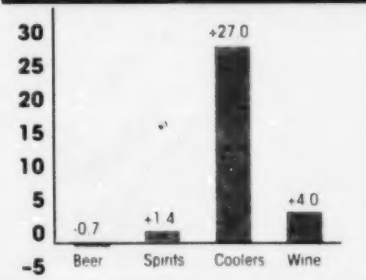
REPRESENTATIVE GROSS PROFIT CONTRIBUTION BY CATEGORY



REPRESENTATIVE SALES CONTRIBUTION BY CATEGORY



VOLUME PERCENT CHANGE



RESPONSIBLE RETAILING IS OUR MISSION

For many years, the NSLC's operations have been guided by the principles incorporated in our Mission Statement:

The Nova Scotia Liquor Commission regulates the sale of liquor products under the authority of the Liquor Control Act.
The Nova Scotia Liquor Commission shall strive to:
- *operate in a socially responsible manner*
- *provide responsible and progressive customer service with a variety of quality controlled products in modern facilities*
- *generate revenue as a retailer through efficient financial and operating practices*
- *provide its employees with progressive management, quality of opportunity and career development*

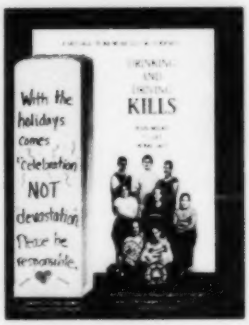
The management and staff of the Nova Scotia Liquor Commission are dedicated to the principles of the Mission Statement.

During the year the NSLC worked hard to achieve these principles through a variety of programs and by meeting our financial goals and objectives.

OPERATE IN A SOCIALLY RESPONSIBLE MANNER

The NSLC initiated the Don't Buy for Minors Campaign in the mid-1980's, along with the Safe Graduation Campaign. Store Staff remain active in promoting responsible beverage alcohol consumption and raising awareness of underage drinking, with continued daily activity at our retail stores combined with media campaigns focused on consumer awareness.

PLAN AHEAD

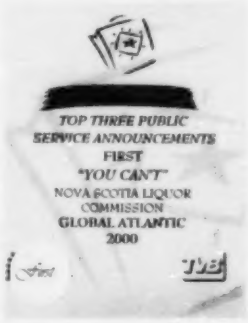


Each year before Christmas, students in schools across the province draw colourful messages on plain paper bags reinforcing the message not to drink and drive. This program is aptly titled, Colourful Messages from Someone Special. Over 500 classes in grades 4 - 8 participated in this year's program. The decorated bags are placed in NSLC retail outlets and used over the Holiday season as reminders on responsible use of beverage alcohol. The students show great enthusiasm for this project and the consumer response is very positive to this unique method of getting the message across on responsible drinking. The NSLC is proud to sponsor this educational program, and believes these messages coming directly from children have a positive impact on society and reinforce the message with the children themselves.

"YOU CAN'T" COMMERCIAL

The NSLC's 'You Can't' television commercial won first place in the Public Service category of the Canadian Retail Competition Awards.

The competition, organized by the Television Bureau of Canada, helps advertisers evaluate the production of retail commercials. Consumers, rather than creative experts, judge the commercials. Global Television produced the commercial, which is part of an NSLC socially responsible campaign that promotes the message "Plan Ahead to Get Home Safe - Drinking and Driving Kills!"



CHECK 25 PROGRAM

The NSLC socially responsible retailing program, Check 25, is targeted at promoting responsible beverage alcohol consumption and increasing awareness of underage drinking within local communities serviced by NSLC retail stores.

Our retail staff undergo a training and development program to provide them with the skills needed in detection of underage purchasing, buying for minors, and people entering our stores under the influence. Check 25 is the guideline we use for ID challenges. These challenges take place on a daily basis in all our stores, and is supported with four major 'target' weeks, where staff re-train on Check 25, and increase ID challenges around events such as school graduations.

Last year, NSLC store staff issued over 225,000 ID challenges at retail, resulting in over 16,000 refusals of service. Initiatives such as Check 25, focused on socially responsible beverage alcohol consumption, will continue to be a priority for retail staff of NSLC stores.

BLUE THUNDER

The Blue Thunder Police Band is a very important component of the NSLC's social responsibility programs. First sponsored by the NSLC in 1993, this band comprised of Halifax/Darmouth active and retired police officers has in eight years reached over 80,000 students in various provincial schools with their messages on making the right choices and on the dangers of abusing alcohol and drugs. The NSLC is very proud to support this significant social program.

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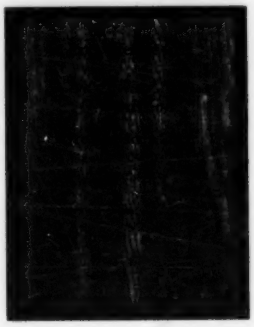
METRO/PROVINCIAL FOOD BANKS

For the third year in a row the NSLC through the support of our suppliers and customers have been able to raise $17,245 for this worthy cause. This brings the total to approximately $40,000 over 3 years which has been donated to the Food Banks from the proceeds of the winemakers' dinner and charity auction held during the annual Port of Wines Festival. It's nice to know that as a result of the evening's activities we are helping those less fortunate in the Province.



METRO RIDE FREE

The Metro Transit Ride Free Campaign provides free transportation to all Metro Transit riders on New Year's Eve as an alternate method of transportation for adults when planning to drink alcohol. The NSLC is the major sponsor of this program.

IWK GRACE CHILDREN'S HOSPITAL

During any given month, NSLC stores display cash containers to raise funds for special causes and charities. In the last decade, the NSLC has raised over $750,000 for the IWK Grace Children's Hospital, and thousands throughout the province for the United Way.

CHILDREN'S WISH

Over $50,000 has been raised in the past decade for the Children's Wish Foundation. Fund-raising through cash cans and other campaigns in our stores contribute significantly to the communities we serve.

OTHER FUNDS RAISED

Other fund-raising initiatives supported by NSLC staff, suppliers and customers are:

Canadian Cancer Society
SPCA
Food Banks
Traffic Injury Research Foundation
Kidney Foundation
Big Brothers/Big Sisters
Terry Fox Foundation
UNICEF
MADD Canada
and *The Parkinson Foundation.*

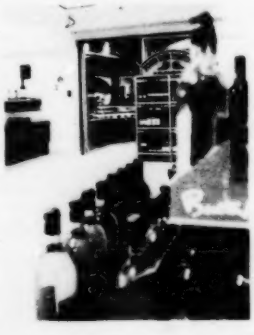
"This past year, donated food valued at more than $7 million was distributed to the membership. This represents more than a million kilograms of product going to thousands of Nova Scotia's families. We hope that the staff of NSLC will take a bow for their part in making this happen."

Diane Swinamer, Executive Director, Metro Food Bank Society

PROVIDE RESPONSIBLE AND PROGRESSIVE CUSTOMER SERVICE WITH A VARIETY OF QUALITY CONTROLLED PRODUCTS IN MODERN FACILITIES

STANDARDS OF EXCELLENCE

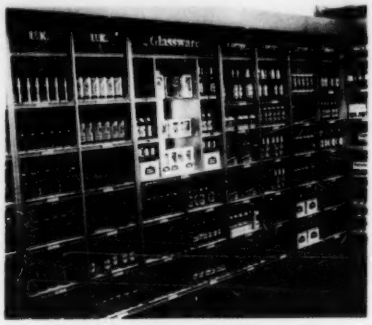
Our commitment to exceeding customer service expectations continues to provide a retailing environment that is responsive to our customer needs. Our Retail Standards of Excellence Program provides staff development designed to enhance their ability to provide excellence in customer service and superior product knowledge. Our customers continue to respond favourably, with comments indicating a positive acceptance of the level of service provided and product knowledge available within our retail stores. We continue to focus on efficient business practices, combined with enhanced training modules to ensure we exceed expectations on all service levels offered within our stores. Last year alone, our retail staff completed over 3900 training modules on customer service and enhanced product knowledge.



Product selection within our stores has been designed to provide each store with broad product selection while maintaining a core assortment that reflects the needs and trends of the individual community serviced by that store. We monitor each store's sales performance, product mix and customer comments relating to product selection, to ensure that we are delivering and meeting the expectations of our customers, both broad based and on an individual basis. Our stores also continue to work closely with the Licensee operators within their communities, to ensure we are providing them with the highest degree of customer service and product selection.

BEERS OF THE WORLD CATEGORY DEVELOPMENT

The NSLC has been working closely with the beer industry to deliver to the beer consumer a truly international experience. The product mix is being expanded to represent beer from over 15 countries with many styles of lagers and ales, and flavours including rich stouts, light fruit beers, wheat beers, etc. along with a full range of weights, very light to full-bodied beer. The NSLC is also extremely proud to "showcase" in this category the flavours and styles of our local microbreweries.



As a result of instore tests and surveys, it was concluded that the consumer preferred to visualize the product by country and by style (ales versus lagers). This proved to be a very educational way to merchandise the category to the consumer. Appropriate signage and planograms will be rolled out to all of our NSLC stores during the next fiscal year.

STORE IN STORE EXPANDING CONCEPT

The NSLC strives to keep pace with the busy lifestyles of customers, and has nine liquor stores located inside of major grocery stores across the province. These stores are very popular, as the one-stop-shopping allows for the matching of beverage alcohol and grocery purchases to occur.

PORT OF WINES FESTIVAL

In 2000, the NSLC's Port of Wines Festival continued to build on its national reputation as one of Canada's leading wine tasting events with a record public attendance. The two-day event, held at the World Trade and Convention

Centre in Halifax, was a celebration of the winemaker's art with 275 products available for sampling and purchase from over 100 suppliers representing 14 different countries. Now in its fifth year, the Festival has grown to include licensee events, educational seminars at the flagship Port of Wines store and a Winemaker's Dinner. The Festival has garnered praise from local wine enthusiasts, and recognition from international winemakers and industry professionals, for its impeccable organization and commitment to bringing the best that the wine world has to offer to the Nova Scotian consumer.

FOCUS ON COMMUNICATION

Customers can keep up to date through several different NSLC communication vehicles. Throughout the year, three issues of The NSLC Consumer are released. This magazine features industry-related articles, popular drink recipes, seasonal items of interest and our price list. During the holiday season, our catalogue A World of Holiday Cheer is published featuring a variety of great gift-giving ideas.

VISIT US ON-LINE

Over the past months, the NSLC has developed our web presence as a site which clearly keeps the focus on our customers. You'll find our site has a wealth of consistently updated information of interest to anyone who wishes to be in the know of happenings within the NSLC. By visiting our site, customers can quickly search for their favourite, or a

soon to be favourite, product or view the monthly specials in our stores. Information on all 100 stores throughout the province is available along with specific services provided and store hours. All retail information of interest to our customers can be found at our site, from corporate information, annual reports or the Liquor Control Act; to social awareness programs and links to supplier sites or the latest Consumer magazine. We try to put as much information on our web site which our consumers can easily find and use on a regular basis. Visit us at www.nsliquor.ns.ca

INFORMATION TECHNOLOGY

Improved efficiencies were made possible due to upgrades to our Point Of Sale Retail Information System, Purchasing system, Warehouse system and various Head Office systems. This new shared technology enables us to respond to the marketplace and enhance services in a more effective and efficient manner and also provides the necessary tools which allows our staff's performance to improve significantly. We will continue to explore the many capabilities of these upgraded systems in order to take advantage of the many features offered. In the very near future we will have a fully integrated Product Management System from the receipt of product applications all the way through to our final sale of products to our customers.

PRODUCT PRICING

The Nova Scotia Liquor Commission strives to ensure that consumers are offered a variety of products at competitive retail prices as well as generating a return on sales of approximately 36.0%. Supplier retail price adjustments have been minimal; only 1.6% for spirits, 2.5% for wine and 4.7% for beer over the last 8 years. Suppliers have also actively participated in many merchandising programs that provided the customer with price discounts as well as added-value products. All of these initiatives give our customers better value for the dollars they spend.

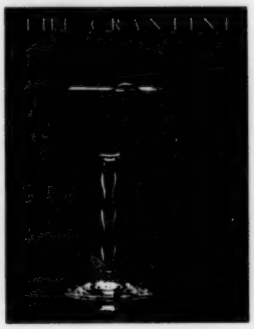
We continuously monitor our product portfolio as well as our pricing policy to ensure our overall objectives are met with respect to our customers.

FOOD FOR THOUGHT

Located in all our outlets, this unique retail display has been provided for the customer's convenience and to accommodate busy lifestyles. It is a fast and easy way to choose the perfect wine to accompany any meal. Simply visit our Food for Thought display for selections that are sure to please the palate!

CONTEMPORARY CLASSICS

This past year the NSLC has been test marketing a new concept in our spirit category called 'Contemporary Classics'. The concept is to make available to consumers user-friendly information on how to make popular drink recipes that are seen in bars and restaurants. The units are presently being tested in 22 stores and if the consumer likes the concept we could be setting up more stores with these displays in the near future.



BOTTLE YOUR OWN WINE

Bottle Your Own Wine allows customers to choose from a selection of varietal or blended wine, and have fun in the process of bottling, corking, and custom labelling their purchase. The NSLC has seven conveniently located Bottle Your Own Wine sections in liquor stores across the province. (Halifax - Bayers Lake, Dartmouth - Bridge Plaza, Truro, New Minas, Bridgewater, Sydney River, Port Hawkesbury).

The concept brings consistent quality wine at a value price to the consumer.

PORT OF WINES AND SATELLITE STORES

Located just off Spring Garden Road in the heart of downtown Halifax, this attractive and unique location offers almost 900 specialty and premium beverage alcohol products. Whether looking for a rare vintage of a fine wine or a 25-year-old Single Malt Scotch, the Port of Wines offers a selection that is sure to please. Expert staff are on hand to offer advice and assistance in meeting the needs of our customers. Also the NSLC strategically placed a Port of Wines section in 24 stores across the province.

To provide added customer service and convenience, the NSLC will ship any product we list to any NSLC store in the Province, at the customer's request.

NSLC RECOGNIZED FOR EXCELLENT SERVICE

During the year, The Opimian Society, The Wine Society of Canada, recognized the NSLC for its exceptional service to the Society in comparison to the other Canadian liquor boards. The Opimian Society has historically recognized the efforts of one liquor board for extraordinary efforts on behalf of Opimian and its members and in 2000 the NSLC received this recognition.

"The NSLC went the extra mile for Opimian in 2000."

David White, Atlantic Regional Director, Opimian Society

GENERATE REVENUE AS A RETAILER THROUGH EFFICIENT FINANCIAL AND OPERATING PRACTICES

During the last year sales of all products through the NSLC totalled $376.4 million. The NSLC realized a profit of $137.2 on those sales through efficient operations and fiscal management. Over and above the profit of $137.2 million, the NSLC collected over $55.2 million on behalf of the Provincial and Federal Governments (Harmonized Sales Tax).

TEN-YEAR INDICATION OF SALES AND EXPENSES COMPARED OVER THE DECADE

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
VOLUME (INC. PROD.)	699.2	694.2	682.9	673.9	660.4	656.3	655.0	664.4	695.3	723.6	725.6
SALES (M)	$335.7	$330.4	$325.4	$324.8	$320.0	$320.0	$323.6	$331.8	$351.6	$371.4	$376.4
COST OF GOODS(M)	$180.2	$168.3	$165.9	$165.1	$162.3	$161.6	$162.9	$167.6	$176.4	$187.6	$190.7
As a % of Sales	53.7%	50.9%	51.0%	50.8%	50.7%	50.5%	50.3%	50.5%	50.2%	50.5%	50.7%
GROSS PROFIT (M)	$155.5	$162.0	$159.6	$159.7	$157.6	$158.4	$160.7	$164.2	$175.2	$183.8	$185.7
	46.3%	49.1%	49.0%	49.2%	49.3%	49.5%	49.7%	49.5%	49.8%	49.5%	49.3%
STORE OP. EXP.(M)	$31.0	$32.7	$31.0	$31.8	$30.4	$33.6	$32.7	$30.2	$31.3	$33.8	$33.3
As a % of Sales	9.2%	9.9%	9.5%	9.8%	9.5%	10.5%	10.1%	9.1%	8.9%	9.1%	8.9%
GROSS PROFIT (M)	$124.5	$129.3	$128.5	$127.9	$127.3	$124.8	$128.0	$134.0	$143.8	$150.0	$152.3
As a % of Sales	37.1%	39.2%	39.5%	39.4%	39.8%	39.0%	39.6%	40.4%	40.9%	40.4%	40.5%
WHSE/DIST. EXP. (M)						$5.6	$6.0	$3.6	$3.8	$3.8	$4.0
As a % of Sales						1.8%	1.9%	1.1%	1.1%	1.0%	1.1%
INC/OPERATIONS (M)	$109.6	$113.5	$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$137.2
As a % of Sales	32.6%	34.4%	35.6%	34.8%	35.0%	35.4%	35.9%	35.7%	36.8%	36.4%	36.5%
LICENSEE SALES (M)	$58.6	$53.9	$53.3	$53.3	$53.5	$52.9	$54.4	$59.3	$62.5	$64.0	$65.0
As a % of Sales	17.5%	16.3%	16.4%	16.4%	16.7%	16.5%	16.8%	17.8%	17.7%	17.2%	17.3%
STORES	98	95	103	104	102	103	101	99	100	100	100
Hours Open (000's)			293.8	299.3	300.6	302.1	294.9	300.0	300.8	306.1	310.4
VOLUME (000 HL)											
Spirits	52.1	51.5	49.7	49.0	48.2	47.9	47.1	47.1	48.2	50.0	50.7
Wine	41.5	42.0	40.0	38.8	38.9	39.7	42.2	44.8	48.1	52.5	54.6
Beer	595.0	590.0	584.3	579.0	566.9	562.1	558.6	565.4	588.5	608.1	603.8
Coolers	10.7	10.9	8.8	7.0	6.4	6.7	7.1	7.2	10.5	13.0	16.5

FACILITIES MANAGEMENT

The NSLC remains committed to providing a modern shopper friendly environment for its customers and retail environments conducive to merchandising concepts that assist in maximizing sales.

During the fiscal year the Baddeck store was renovated and upgraded. The store formerly situated in the Bayers Road Shopping Centre in Halifax was closed and a new store to replace this store was opened a short distance away on Joseph Howe Drive, with the objective of improving visibility, customer accessibility and convenience.

Facilities Management is essential to ensure the efficient utilization of space in new, renovated or existing NSLC store facilities. The physical resource program which is ongoing, addresses the short and long term strategic planning of NSLC facilities. Since 1993 the overall space inventory occupied by the NSLC has been reduced by 92,722 square feet.

ENERGY MANAGEMENT

This program developed and implemented in 1993/94 is ongoing with the NSLC being pro-active and diligent in its goal to conserve energy. The process of Energy Conservation is achieved through awareness and the implementation of new and changing technologies being utilized in NSLC facilities.

Since the inception of this program, the NSLC has been able to reduce its annual consumption of kilowatt hours which has a positive affect on bottom line results while at the same time allowing the NSLC to be socially responsible.

NSLC's SUCCESSFUL FINANCIAL PERFORMANCE

This section of our Annual Report explains the financial results of the NSLC for the fiscal year 2000-2001 and provides background information for evaluating our performance. This has been provided to increase understanding of our performance and ensure disclosure of our results to all of our stakeholders.

OPERATING PERFORMANCE ($000's)	1999/2000	2000/2001
Transfer to Government	$135,170.0	$137,183.0
Net Sales	$371,364.7	$376,403.6
% Increase	5.6%	1.4%
Operating Expenses	$ 47,834.5	$ 47,451.9
Net Income	$135,170.0	$137,183.0
% Increase	4.6%	1.5%

REVENUE TO GOVERNMENT INCREASES FOR SIXTH STRAIGHT YEAR

We transferred $137.2 million in profit to the provincial treasury on behalf of Nova Scotia taxpayers in 2000-2001. This is the sixth straight year we've increased our contribution.

The following table shows a ten-year history of the profits paid to the Province of Nova Scotia. Our Net Operating Income decreased slightly in 1994 and 1995 but has been increasing ever since. More efficient operations, increased merchandising program initiatives, new retail store concepts, and improved service have been contributing factors that helped achieve this success.

TEN-YEAR HISTORY OF PROFITS TO THE PROVINCE OF NOVA SCOTIA										
Fiscal Year	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
($000,000's)	$113.5	$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$137.2

REGIONAL SUCCESSES

Three of our retail regions of the NSLC experienced growth in fiscal 2000/2001 with the strongest in the Dartmouth area at 4.9% for a second year in a row. The Eastern and Northern area as well as our Cape Breton region were slightly lower than last year; (2.0%) and (1.0%) respectively. Halifax and the Valley and South Shore saw positive growth rates of 3.4% and .6% respectively.

Our retail stores located in other major chain retail stores have some of the highest sales per square feet in the province and are also amongst the most profitable locations.

GENERAL AND LICENSEE SALES STRONG

General sales are the sales made through NSLC retail outlets. They account for approximately 81.3% of our total sales and growth in this segment was 1.4% over the previous year. Licensee sales are wholesale channels such as restaurants, bars, taverns, and lounges and they account for approximately 17.3% of the total sales market. This segment enjoyed a 1.4% growth increase from the previous year.

Rounding out the beverage alcohol market is special orders, accounting for .1% of the total, and sales through private manufacturing retail outlets, which make up the final 1.3% of the beverage alcohol sales in Nova Scotia.

GENERATE REVENUE AS A RETAILER THROUGH EFFICIENT FINANCIAL AND OPERATING PRACTICES

During the last year sales of all products through the NSLC totalled $376.4 million. The NSLC realized a profit of $137.2 on those sales through efficient operations and fiscal management. Over and above the profit of $137.2 million, the NSLC collected over $55.2 million on behalf of the Provincial and Federal Governments (Harmonized Sales Tax).

TEN-YEAR INDICATION OF SALES AND EXPENSES COMPARED OVER THE DECADE

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
VOLUME (INC. PROD.)	699.2	694.2	682.9	673.9	660.4	656.3	655.0	664.4	695.3	723.6	725.6
SALES (M)	$335.7	$330.4	$325.4	$324.8	$320.0	$320.0	$323.6	$331.8	$351.6	$371.4	$376.4
COST OF GOODS(M)	$180.2	$168.2	$165.9	$165.1	$162.3	$161.6	$162.9	$167.6	$176.4	$187.6	$190.7
As a % of Sales	53.7%	50.9%	51.0%	50.8%	50.7%	50.5%	50.3%	50.5%	50.2%	50.5%	50.7%
GROSS PROFIT (M)	$155.5	$162.0	$159.6	$159.7	$157.6	$158.4	$160.7	$164.2	$175.2	$183.8	$185.7
	46.3%	49.1%	49.0%	49.2%	49.3%	49.5%	49.7%	49.5%	49.8%	49.5%	49.3%
STORE OP. EXP.(M)	$31.0	$32.7	$31.0	$31.8	$30.4	$33.6	$32.7	$30.2	$31.3	$33.8	$33.3
As a % of Sales	9.2%	9.9%	9.5%	9.8%	9.5%	10.5%	10.1%	9.1%	8.9%	9.1%	8.9%
GROSS PROFIT (M)	$124.5	$129.3	$128.5	$127.9	$127.3	$124.8	$128.0	$134.0	$143.8	$150.0	$152.3
As a % of Sales	37.1%	39.2%	39.5%	39.4%	39.8%	39.0%	39.6%	40.4%	40.9%	40.4%	40.5%
WHSE/DIST. EXP. (M)						$5.6	$6.0	$3.6	$3.8	$3.8	$4.0
As a % of Sales						1.8%	1.9%	1.1%	1.1%	1.0%	1.1%
INC/OPERATIONS (M)	$109.6	$113.6	$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$137.2
As a % of Sales	32.6%	34.4%	35.2%	34.8%	35.0%	35.4%	35.9%	35.7%	36.8%	36.4%	36.5%
LICENSEE SALES (M)	$58.6	$53.9	$53.3	$53.3	$53.5	$52.9	$54.4	$59.3	$62.5	$64.0	$65.0
As a % of Sales	17.5%	16.3%	16.4%	16.4%	16.7%	16.5%	16.8%	17.8%	17.7%	17.2%	17.3%
STORES	98	96	103	104	102	103	101	99	100	100	100
Hours Open (000's)			293.8	299.3	300.6	302.1	294.9	300.0	300.8	306.1	310.4
VOLUME (000 HL)											
Spirits	52.1	51.5	49.7	49.0	48.2	47.9	47.1	47.1	48.2	50.0	50.7
Wine	41.5	42.0	40.0	38.8	38.9	39.7	42.2	44.8	48.1	52.5	54.6
Beer	595.0	590.3	584.3	579.0	566.9	562.1	556.6	565.4	588.5	608.1	603.8
Coolers	10.7	10.9	8.8	7.0	6.4	6.7	7.1	7.2	10.5	13.0	16.5

FACILITIES MANAGEMENT

The NSLC remains committed to providing a modern shopper friendly environment for its customers and retail environments conducive to merchandising concepts that assist in maximizing sales.

During the fiscal year the Baddeck store was renovated and upgraded. The store formerly situated in the Bayers Road Shopping Centre in Halifax was closed and a new store to replace this store was opened a short distance away on Joseph Howe Drive, with the objective of improving visibility, customer accessibility and convenience.

Facilities Management is essential to ensure the efficient utilization of space in new, renovated or existing NSLC store facilities. The physical resource program which is ongoing, addresses the short and long term strategic planning of NSLC facilities. Since 1993 the overall space inventory occupied by the NSLC has been reduced by 92,722 square feet.

ENERGY MANAGEMENT

This program developed and implemented in 1993/94 is ongoing with the NSLC being pro-active and diligent in its goal to conserve energy. The process of Energy Conservation is achieved through awareness and the implementation of new and changing technologies being utilized in NSLC facilities.

Since the inception of this program, the NSLC has been able to reduce its annual consumption of kilowatt hours which has a positive affect on bottom line results while at the same time allowing the NSLC to be socially responsible.

NSLC's SUCCESSFUL FINANCIAL PERFORMANCE

This section of our Annual Report explains the financial results of the NSLC for the fiscal year 2000-2001 and provides background information for evaluating our performance. This has been provided to increase understanding of our performance and ensure disclosure of our results to all of our stakeholders.

OPERATING PERFORMANCE ($000's)	1999/2000	2000/2001
Transfer to Government	$135,170.0	$137,183.0
Net Sales	$371,364.7	$376,403.6
% Increase	5.6%	1.4%
Operating Expenses	$ 47,834.5	$ 47,451.9
Net Income	$135,170.0	$137,183.0
% Increase	4.6%	1.5%

REVENUE TO GOVERNMENT INCREASES FOR SIXTH STRAIGHT YEAR

We transferred $137.2 million in profit to the provincial treasury on behalf of Nova Scotia taxpayers in 2000-2001. This is the sixth straight year we've increased our contribution.

The following table shows a ten-year history of the profits paid to the Province of Nova Scotia. Our Net Operating Income decreased slightly in 1994 and 1995 but has been increasing ever since. More efficient operations, increased merchandising program initiatives, new retail store concepts, and improved service have been contributing factors that helped achieve this success.

TEN-YEAR HISTORY OF PROFITS TO THE PROVINCE OF NOVA SCOTIA										
Fiscal Year	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
($000,000's)	$113.5	$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$137.2

REGIONAL SUCCESSES

Three of our retail regions of the NSLC experienced growth in fiscal 2000/2001 with the strongest in the Dartmouth area at 4.9% for a second year in a row. The Eastern and Northern area as well as our Cape Breton region were slightly lower than last year: (2.0%) and (1.0%) respectively. Halifax and the Valley and South Shore saw positive growth rates of 3.4% and .6% respectively.

Our retail stores located in other major chain retail stores have some of the highest sales per square feet in the province and are also amongst the most profitable locations.

GENERAL AND LICENSEE SALES STRONG

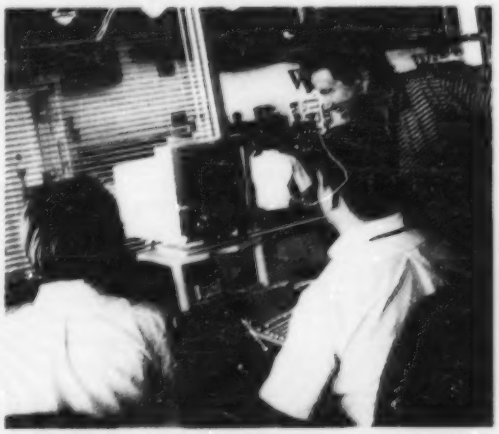
General sales are the sales made through NSLC retail outlets. They account for approximately 81.3% of our total sales and growth in this segment was 1.4% over the previous year. Licensee sales are wholesale channels such as restaurants, bars, taverns, and lounges and they account for approximately 17.3% of the total sales market. This segment enjoyed a 1.4% growth increase from the previous year.

Rounding out the beverage alcohol market is special orders, accounting for .1% of the total, and sales through private manufacturing retail outlets, which make up the final 1.3% of the beverage alcohol sales in Nova Scotia.

PROVIDE ITS EMPLOYEES WITH PROGRESSIVE MANAGEMENT, QUALITY OF OPPORTUNITY AND CAREER DEVELOPMENT

TRAINING PROGRAMS PROVIDED AND STAFF PARTICIPATION

The training and development of our employees continues to be a priority with the Nova Scotia Liquor Commission. Recently a move to a correspondence module form of training has been introduced and has proven to be very successful. To date, in excess of twelve thousand (12,000) modules have been successfully completed by our employees. In addition, employees have attended approximately sixteen hundred (1600) seminar presentations.



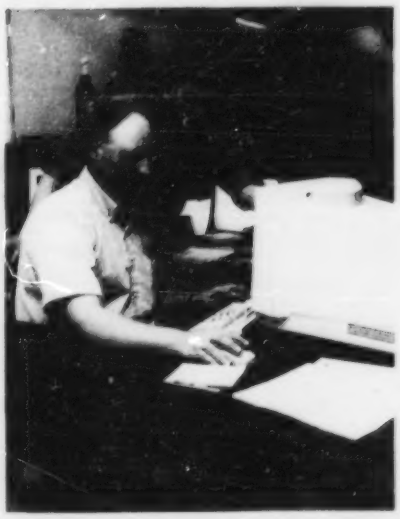
NSLC HIRING PRACTICES

The NSLC continues to recruit the most qualified candidates for all positions while ensuring that our obligations under the Affirmative Action Program are met. Our Staffing Policy clearly states that all appointments shall be made on merit, and that the most qualified candidates will fill all vacant positions. In recruiting, selecting and hiring candidates for positions, the principles of merit and fairness will be maintained. Competitions are held for all positions, and all hiring and promotions are made based on skill and ability.

CAREER DEVELOPMENT

Where needs for specialized training are identified, the organization will source the required training from an appropriate provider, making sure that employees have the proper tools to do their jobs in an efficient and effective manner.

Employees are encouraged to pursue opportunities to develop their career skills. To this end they are supported financially in obtaining additional training leading to possible promotion or different career paths. The organization will provide assistance to individuals seeking career guidance and direction in choosing appropriate career goals.



OCCUPATIONAL HEALTH AND SAFETY

The Nova Scotia Liquor Commission continues to fully support Health and Safety initiatives in the workplace while ensuring that the workplace is a safe environment for our employees and our customers.

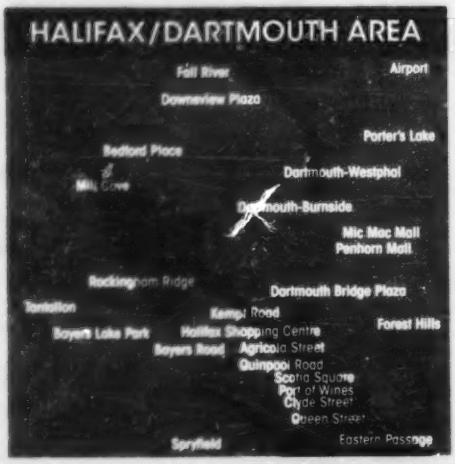
A special thank you to the staff at our Bayers Lake, Halifax and Joseph Howe Drive, Halifax stores for assisting with the photography used throughout this report.

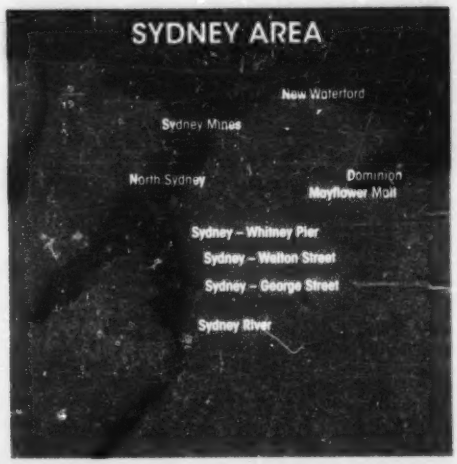
NOVA SCOTIA MARKETPLACE

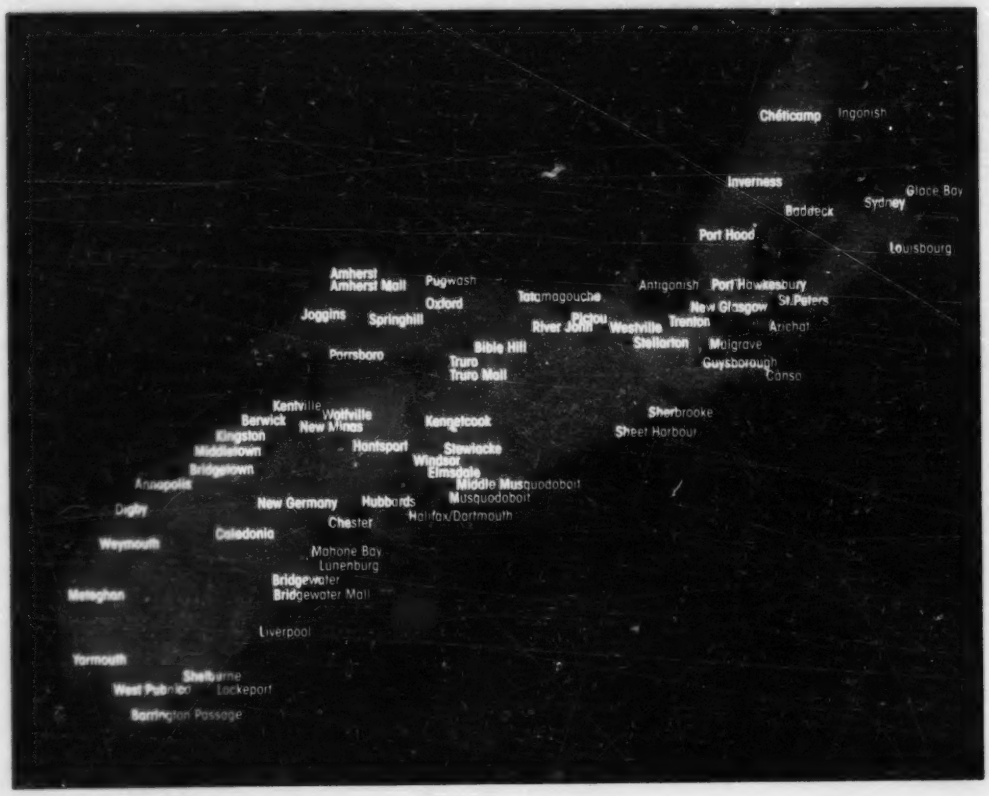
The NSLC operates in a shared marketplace along with other retailers of beverage alcohol, including Farm Winery & Cottage Winery retail stores, on-site Brewery retail stores and Brew Pubs.

As of March 31, 2001 there were:

- **100** NSLC retail outlets
- **7** Farm Winery/Cottage Winery retail stores
- **4** Brew Pubs
- **5** On-site Brewery retail stores







SALES BY STORES

(MARCH 31, 2001)

Largest Sales Halifax Area	Downsview Plaza
Largest Sales Dartmouth Area	Forest Hills
Largest Sales Eastern & Northern	Truro
Largest Sales Cape Breton Area	Sydney River
Largest Sales Valley & South Shore	Bridgewater
Largest Spirits Sales	Antigonish
Largest Wine Sales	Port of Wines II
Largest Beer Sales	Sydney River
Largest Coolers Sales	Sydney River
Largest Sales - All Stores - All Categories	Sydney River

REGION 1 - HALIFAX

104 - Agricola Street*	$2,676,945.32	$1,874,921.42	$3,541,834.22	$207,629.04	$8,644.71	$8,309,974.71
108 - Bayers Lake*	$1,797,734.89	$1,648,564.99	$2,572,425.41	$121,120.61	$27,089.99	$6,166,935.89
110 - Bayers Road	$1,265,475.85	$454,062.59	$1,394,817.11	$60,527.41	$1,643.32	$3,176,526.28
118 - Chester	$1,160,238.69	$525,446.66	$1,404,880.12	$54,502.11	$1,196.35	$3,146,263.93
120 - Clyde Street	$1,912,360.48	$1,420,096.60	$2,614,805.84	$189,490.01	$10,160.41	$6,146,913.34
123 - Quinpool Street	$1,191,631.54	$1,073,863.05	$1,019,675.98	$73,683.75	$5,015.43	$3,363,869.75
125 - Halifax	$555,164.37	$221,875.61	$679,023.41	$25,734.71	$547.56	$1,482,345.66
130 - Liverpool	$287,318.59	$70,591.34	$406,411.03	$10,078.25	$264.49	$774,663.70
146 - Halifax Shopping Centre*	$1,768,633.20	$1,102,661.62	$1,378,959.30	$136,960.21	$16,006.21	$4,403,220.54
152 - Bayers Road	$959,719.88	$376,475.51	$1,202,316.74	$43,664.64	$1,902.82	$2,584,079.59
160 - Port of Wines II*	$345,222.15	$2,914,017.37	$140,772.11	$0.00	$68,730.38	$3,468,742.01
165 - Liverpool Mills	$1,328,790.05	$1,369,650.54	$1,170,276.81	$80,392.91	$4,864.91	$3,953,975.22
170 - Kentington Ridge	$2,622,392.52	$1,385,347.24	$3,190,059.57	$199,736.77	$4,827.99	$7,402,364.09
176 - Dartmouth Road	$3,535,240.51	$966,415.06	$5,825,371.71	$275,302.80	$7,783.50	$10,610,113.58
180 - South Street*	$726,327.34	$532,802.44	$430,392.62	$34,309.70	$14,417.14	$1,738,249.24
185 - Spryfield	$2,209,701.38	$670,365.16	$3,513,736.90	$146,698.63	$4,110.09	$6,544,612.16
193 - Bedford Hills Road*	$921,521.97	$792,424.38	$750,843.11	$54,836.15	$5,287.89	$2,524,913.50
198 - Bedford*	$1,936,468.08	$1,078,394.83	$2,614,145.95	$105,172.54	$4,310.92	$5,738,492.32
199 - Windsor	$1,852,679.34	$404,156.77	$2,711,798.80	$106,523.10	$1,301.99	$5,076,460.00
199 - Halifax Downtown	$5,845,837.28	$4,029,801.16	$17,229,093.69	$513,137.64	$9.50	$27,617,879.27
TOTAL REGION 1	**$34,899,403.43**	**$22,911,934.34**	**$53,791,640.43**	**$2,439,500.98**	**$188,115.60**	**$114,230,594.78**

REGION 2 - DARTMOUTH

201 - Airport*	$608,868.00	$421,938.70	$518,655.06	$10,985.23	$4,379.92	$1,564,826.91
202 - Bedford West*	$1,684,589.46	$1,080,955.77	$2,024,496.28	$93,372.60	$5,439.48	$4,888,853.59
209 - Bridge Plaza	$2,376,651.16	$1,074,176.76	$4,124,858.27	$167,300.28	$9,196.56	$7,752,183.03
210 - Burnside	$746,943.71	$215,070.27	$1,224,171.54	$51,790.94	$1,252.64	$2,239,229.10
215 - Portland Street*	$1,287,487.72	$676,413.49	$745,916.58	$79,724.59	$4,150.92	$2,793,693.30
219 - Westphal	$3,069,639.91	$1,092,818.62	$4,533,453.99	$232,481.53	$4,535.74	$8,932,929.79
220 - Mic Mac Mall*	$1,233,734.77	$835,244.78	$585,102.99	$77,877.00	$11,266.83	$2,743,226.37
222 - Sackville	$348,230.10	$29,412.49	$738,202.35	$15,593.34	$258.38	$1,131,696.66
223 - Dresden	$1,787,241.55	$444,095.46	$2,974,279.36	$126,699.41	$1,397.23	$5,333,713.01
225 - Fall River	$868,667.51	$475,682.97	$796,463.23	$53,109.24	$1,160.09	$2,195,083.04
227 - Forest Hills	$3,159,483.14	$1,216,505.10	$4,428,372.82	$245,307.64	$4,141.16	$9,053,809.86
270 - Fulton Lake	$1,244,967.15	$337,914.39	$1,789,786.00	$71,281.93	$1,891.00	$3,445,840.47
280 - Mount Hebron	$469,613.11	$81,194.57	$559,336.10	$18,847.02	$608.54	$1,129,599.34
285 - Stanhope	$641,711.27	$105,249.98	$1,269,203.06	$40,830.01	$318.36	$2,057,312.68
295 - Middle Sackville	$376,795.51	$48,727.80	$497,460.84	$16,530.07	$561.20	$940,075.42
296 - Eastern Passage	$939,748.49	$232,271.46	$1,800,207.01	$69,338.23	$806.65	$3,042,371.84
297 - Sackville Harbour	$706,128.94	$153,408.65	$780,741.28	$26,118.08	$538.44	$1,666,935.39
TOTAL REGION 2	**$21,550,501.50**	**$8,521,081.26**	**$29,390,706.76**	**$1,397,187.14**	**$51,903.14**	**$60,911,379.80**

REGION 3 - EASTERN & NORTHERN

301 - Antigonish*	$858,444.32	$257,400.11	$2,067,891.04	$90,682.85	$942.60	$3,275,360.92
302 - Antigonish Mall	$911,373.11	$286,700.17	$1,368,577.07	$87,617.46	$1,087.35	$2,655,355.16
303 - Antigonish	$3,841,637.69	$1,006,142.97	$4,848,770.92	$213,945.28	$3,904.61	$9,914,401.47
310 - Aldershot*	$1,058,204.36	$205,597.10	$1,708,686.53	$60,100.02	$477.53	$3,033,065.54
312 - Canso	$378,547.97	$45,605.38	$595,048.65	$16,661.14	$341.72	$1,036,204.86
317 - Guysborough	$456,752.70	$98,338.87	$618,175.64	$14,307.19	$376.74	$1,187,951.14
322 - Joggins	$98,337.80	$12,638.07	$271,732.69	$6,895.57	$115.82	$389,719.95
335 - Oxford	$315,499.53	$66,889.68	$518,622.30	$25,831.64	$149.35	$926,992.50
340 - Pictou	$302,342.13	$40,011.38	$499,639.79	$12,219.29	$216.57	$854,429.16
345 - Pugwash	$379,796.23	$93,243.10	$771,910.51	$25,502.70	$344.77	$1,270,797.31
355 - New Glasgow*	$3,135,611.40	$854,709.83	$4,836,399.28	$209,343.36	$2,394.84	$9,038,458.71
360 - Pictou	$1,205,859.05	$315,887.80	$1,697,583.50	$62,617.19	$1,529.82	$3,283,477.36
365 - Pugwash	$443,401.28	$106,997.24	$706,374.70	$29,280.29	$570.22	$1,286,623.73
366 - River John	$246,467.57	$55,772.64	$419,819.29	$11,976.01	$111.77	$734,147.28
367 - Springhill	$442,226.92	$77,053.61	$927,871.84	$39,042.63	$275.83	$1,487,070.83
370 - Shelburne	$265,111.67	$70,075.79	$426,039.40	$12,553.79	$410.88	$774,191.53
375 - Stellarton	$957,526.91	$173,883.98	$1,456,010.38	$40,500.30	$435.73	$2,628,357.30
382 - Tatamagouche	$535,022.75	$157,934.30	$983,811.89	$28,683.58	$425.11	$1,705,877.63
387 - Trenton	$525,432.12	$93,458.44	$942,763.84	$23,618.31	$271.86	$1,585,544.57
392 - Truro*	$3,465,031.48	$1,033,607.87	$5,212,340.19	$247,670.05	$4,109.73	$9,962,759.32
394 - Truro Mall	$1,277,728.61	$286,122.68	$1,247,042.06	$79,905.01	$1,153.33	$2,891,951.69
397 - Westville	$675,462.30	$101,419.25	$1,483,132.90	$43,496.15	$160.59	$2,303,671.19
TOTAL REGION 3	**$21,775,817.90**	**$5,440,090.26**	**$33,608,244.41**	**$1,382,449.81**	**$19,806.77**	**$62,226,409.15**

SALES BY STORES

(MARCH 31, 2001)

Largest Sales Halifax Area	Downsview Plaza
Largest Sales Dartmouth Area	Forest Hills
Largest Sales Eastern & Northern	Truro
Largest Sales Cape Breton Area	Sydney River
Largest Sales Valley & South Shore	Bridgewater
Largest Spirits Sales	Antigonish
Largest Wine Sales	Port of Wines II
Largest Beer Sales	Sydney River
Largest Coolers Sales	Sydney River
Largest Sales - All Stores - All Categories	Sydney River

REGION 1 - HALIFAX

104 - Agricola Street*	$2,676,945.32	$1,874,921.42	$3,541,834.22	$207,629.04	$8,644.71	$8,309,974.71
108 - Bayers Lake*	$1,797,734.89	$1,648,564.99	$2,572,425.41	$121,120.61	$27,089.99	$6,166,935.89
110 - Bayers Road	$1,265,475.85	$454,062.59	$1,394,817.11	$60,527.41	$1,643.32	$3,176,526.28
115 - Chester	$1,160,238.69	$525,446.66	$1,404,880.12	$54,502.11	$1,196.35	$3,146,263.93
120 - Clyde Street	$1,912,360.48	$1,420,096.60	$2,614,805.84	$189,490.01	$10,160.41	$6,146,913.34
123 - Queen Street	$1,191,631.54	$1,073,863.05	$1,019,675.98	$73,683.75	$5,015.43	$3,363,869.75
125 - Hubbards	$555,164.37	$221,875.61	$679,023.41	$25,734.71	$547.56	$1,482,345.66
130 - Hantsport	$287,318.59	$70,591.34	$406,411.03	$10,078.25	$264.49	$774,663.70
145 - Halifax Shopping Centre*	$1,768,633.20	$1,102,661.62	$1,378,959.30	$136,960.21	$16,006.21	$4,403,220.54
152 - Kempt Road	$959,719.88	$376,475.51	$1,202,316.74	$43,664.64	$1,902.82	$2,584,079.59
160 - Port of Wines II*	$345,222.15	$2,914,017.37	$140,772.11	$0.00	$68,730.38	$3,468,742.01
165 - Quinpool Rd.IGA	$1,328,790.05	$1,369,650.54	$1,170,276.81	$80,392.91	$4,864.91	$3,953,975.22
170 - Rockingham Ridge	$2,622,392.52	$1,385,347.24	$3,190,059.57	$199,736.77	$4,827.99	$7,402,364.09
176 - Downsview Plaza	$3,535,240.51	$966,415.06	$5,825,371.71	$275,302.80	$7,783.50	$10,610,113.58
180 - Scotia Square*	$726,327.34	$532,802.44	$430,392.62	$34,309.70	$14,417.14	$1,738,249.24
185 - Spryfield	$2,209,701.38	$670,365.16	$3,513,736.90	$146,698.63	$4,110.09	$6,544,612.16
193 - Bedford Mill Cove*	$921,521.97	$792,424.38	$750,843.11	$54,836.15	$5,287.89	$2,524,913.50
195 - Tantallon*	$1,936,468.08	$1,078,394.83	$2,614,145.95	$105,172.54	$4,310.92	$5,738,492.32
196 - Windsor	$1,852,679.34	$404,156.77	$2,711,798.80	$106,523.10	$1,301.99	$5,076,460.00
199 - Halifax Licensee	$5,845,837.28	$4,029,801.16	$17,229,093.69	$513,137.64	$9.50	$27,617,879.27
TOTAL REGION 1	**$34,899,403.43**	**$22,911,934.34**	**$53,791,640.43**	**$2,439,500.98**	**$188,115.60**	**$114,230,594.78**

REGION 2 - DARTMOUTH

201 - Airport*	$608,868.00	$421,938.70	$518,655.06	$10,985.23	$4,379.92	$1,564,826.91
202 - Bedford Place*	$1,684,589.46	$1,080,955.77	$2,024,496.28	$93,372.60	$5,439.48	$4,888,853.59
209 - Bridge Plaza	$2,376,651.16	$1,074,176.76	$4,124,858.27	$167,300.28	$9,196.56	$7,752,183.03
210 - Burnside	$746,943.71	$215,070.27	$1,224,171.54	$51,790.94	$1,252.64	$2,239,229.10
213 - Penhorn Mall*	$1,287,487.72	$676,413.49	$745,916.58	$79,724.59	$4,150.92	$2,793,693.30
219 - Westphal	$3,069,639.91	$1,092,818.62	$4,533,453.99	$232,481.53	$4,535.74	$8,932,929.79
220 - Mic Mac Mall*	$1,233,734.77	$835,244.78	$585,102.99	$77,877.00	$11,266.83	$2,743,226.37
222 - Kennetcook	$348,230.10	$29,412.49	$738,202.35	$15,593.34	$258.38	$1,131,696.66
223 - Elmsdale	$1,787,241.55	$444,095.46	$2,974,279.36	$126,699.41	$1,397.23	$5,333,713.01
225 - Fall River	$868,667.51	$475,682.97	$796,463.23	$53,109.24	$1,160.09	$2,195,083.04
227 - Forest Hills	$3,159,483.14	$1,216,505.10	$4,428,372.82	$245,307.64	$4,141.16	$9,053,809.86
270 - Porters Lake	$1,244,967.15	$337,914.39	$1,789,786.00	$71,281.93	$1,891.00	$3,445,840.47
280 - Sheet Harbour	$469,613.11	$81,194.57	$559,336.10	$18,847.02	$608.54	$1,129,599.34
285 - Stewiacke	$641,711.27	$105,249.98	$1,269,203.06	$40,830.01	$318.36	$2,057,312.68
286 - Middle Musquodoboit	$376,795.51	$48,727.80	$497,460.84	$16,530.07	$561.20	$940,075.42
290 - Eastern Passage	$939,748.49	$232,271.46	$1,800,207.01	$69,338.23	$806.65	$3,042,371.84
297 - Musquodoboit Harbour	$706,128.94	$153,408.65	$780,741.28	$26,118.08	$538.44	$1,666,935.39
TOTAL REGION 2	**$21,550,501.50**	**$8,521,081.26**	**$29,390,706.76**	**$1,397,187.14**	**$51,903.14**	**$60,911,379.80**

REGION 3 - EASTERN & NORTHERN

301 - Amherst*	$858,444.32	$257,400.11	$2,067,891.04	$90,682.85	$942.60	$3,275,360.92
302 - Amherst Mall	$911,373.11	$286,700.17	$1,368,577.07	$87,617.46	$1,087.35	$2,655,355.16
303 - Antigonish	$3,841,637.69	$1,006,142.97	$4,848,770.92	$213,945.28	$3,904.61	$9,914,401.47
310 - Bible Hill	$1,058,204.36	$205,597.10	$1,708,686.53	$60,100.02	$477.53	$3,033,065.54
312 - Canso	$378,547.97	$45,605.38	$595,048.65	$16,661.14	$341.72	$1,036,204.86
317 - Guysborough	$456,752.70	$98,338.87	$618,175.64	$14,307.19	$376.74	$1,187,951.14
322 - Joggins	$98,337.80	$12,638.07	$271,732.69	$6,895.57	$115.82	$389,719.95
338 - Oxford	$315,499.53	$66,889.68	$518,622.30	$25,831.64	$149.35	$926,992.50
340 - Mulgrave	$302,342.13	$40,011.38	$499,639.79	$12,219.29	$216.57	$854,429.16
343 - Parrsboro	$379,796.23	$93,243.10	$771,910.51	$25,502.70	$344.77	$1,270,797.31
345 - New Glasgow*	$3,135,611.40	$854,709.83	$4,836,399.28	$209,343.36	$2,394.84	$9,038,458.71
348 - Pictou	$1,205,859.05	$315,887.80	$1,697,583.50	$62,617.19	$1,529.82	$3,283,477.36
353 - Pugwash	$443,401.28	$106,997.24	$706,374.70	$29,280.29	$570.22	$1,286,623.73
358 - River John	$246,467.57	$55,772.64	$419,819.29	$11,976.01	$111.77	$734,147.28
367 - Springhill	$442,226.92	$77,653.61	$927,871.84	$39,042.63	$275.83	$1,487,070.83
370 - Sherbrooke	$265,111.67	$70,075.79	$426,039.40	$12,553.79	$410.88	$774,191.53
375 - Stellarton	$957,526.91	$173,883.98	$1,456,010.38	$40,500.30	$435.73	$2,628,357.30
382 - Tatamagouche	$535,022.75	$157,934.30	$983,811.89	$28,683.58	$425.11	$1,705,877.63
387 - Trenton	$525,432.12	$93,458.44	$942,763.84	$23,618.31	$271.86	$1,585,544.57
392 - Truro*	$3,465,031.48	$1,033,607.87	$5,212,340.19	$247,670.05	$4,109.73	$9,962,759.32
394 - Truro Mall	$1,277,728.61	$286,122.68	$1,247,042.06	$79,905.01	$1,153.33	$2,891,951.69
397 - Westville	$675,462.30	$101,419.25	$1,483,132.90	$43,496.15	$160.59	$2,303,671.19
TOTAL REGION 3	**$21,775,817.90**	**$5,440,090.26**	**$33,608,244.41**	**$1,382,449.81**	**$19,806.77**	**$62,226,409.15**

REGION 4 - CAPE BRETON						
407 - Arichat	$552,623.48	$85,458.29	$722,770.54	$22,844.44	$923.46	$1,384,620.21
408 - Baddeck	$978,885.89	$374,623.74	$1,328,789.63	$42,870.64	$1,168.13	$2,726,338.03
413 - Cheticamp	$610,627.76	$178,767.54	$994,396.19	$41,728.32	$1,129.88	$1,826,649.69
418 - Dominion	$393,549.74	$46,280.60	$761,979.22	$21,470.88	$358.47	$1,223,638.91
426 - Glace Bay	$2,429,856.07	$337,816.64	$4,782,466.07	$182,404.76	$1,112.63	$7,733,656.17
431 - Ingonish	$557,651.19	$222,109.82	$794,587.26	$31,901.55	$1,078.53	$1,607,328.35
436 - Inverness	$715,806.09	$159,405.21	$1,200,080.76	$35,650.80	$763.67	$2,111,706.53
441 - Louisbourg	$364,685.20	$63,801.13	$559,364.26	$13,865.82	$505.18	$1,002,221.59
445 - New Waterford	$1,182,253.09	$151,159.00	$2,690,551.40	$80,180.41	$610.48	$4,104,754.38
451 - North Sydney	$1,995,863.99	$352,779.12	$2,762,655.13	$144,341.53	$1,319.25	$5,256,959.02
455 - Port Hawkesbury*	$2,231,486.34	$591,957.52	$3,029,702.05	$116,099.01	$5,394.63	$5,974,639.55
460 - Port Hood	$633,410.15	$110,006.70	$672,909.60	$17,015.84	$798.99	$1,434,141.28
477 - St. Peters	$593,505.99	$110,891.16	$1,036,259.71	$34,099.56	$509.45	$1,775,265.87
479 - Sydney	$1,755,257.01	$463,145.29	$2,147,848.33	$93,559.83	$1,369.75	$4,461,180.21
480 - Mayflower Mall*	$716,518.77	$239,968.89	$285,573.77	$33,396.80	$1,337.60	$1,276,795.83
481 - Sydney Welton Street*	$2,137,218.09	$408,430.86	$3,149,508.12	$130,563.97	$1,362.44	$5,827,083.48
483 - Whitney Pier	$502,072.08	$66,950.49	$873,291.96	$18,786.36	$361.30	$1,461,462.19
490 - Sydney Mines	$1,018,463.07	$134,709.20	$2,249,023.49	$73,645.74	$382.40	$3,476,223.90
496 - Sydney River*	$3,697,644.25	$1,122,903.02	$6,138,280.39	$297,298.87	$7,804.05	$11,263,930.58
TOTAL REGION 4	**$23,067,378.25**	**$5,221,164.22**	**$36,180,037.88**	**$1,431,725.13**	**$28,290.29**	**$65,928,595.77**

REGION 5 - VALLEY & SOUTH SHORE						
501 - Annapolis	$707,124.65	$269,261.00	$932,314.18	$40,357.75	$1,242.02	$1,950,299.60
504 - Barrington Passage	$1,000,679.32	$104,981.00	$1,153,484.19	$62,544.43	$630.01	$2,322,318.95
505 - Bridgewater*	$3,016,891.37	$1,015,767.55	$3,944,387.11	$137,738.31	$4,991.36	$8,119,775.70
506 - Bridgewater Mall	$939,476.32	$259,327.82	$404,484.69	$35,100.90	$1,156.22	$1,639,545.95
509 - Caledonia	$273,841.08	$61,691.47	$385,773.16	$13,733.00	$166.89	$735,205.60
511 - Berwick	$916,355.05	$203,763.18	$1,421,223.01	$43,949.14	$619.81	$2,585,910.19
515 - Bridgetown	$410,803.58	$96,109.66	$612,280.32	$23,521.89	$272.09	$1,142,987.54
520 - Digby	$1,439,231.04	$414,226.14	$1,938,917.57	$76,052.00	$1,175.88	$3,869,602.63
546 - Kentville*	$1,611,713.56	$511,203.73	$2,703,540.91	$100,781.84	$1,335.79	$4,928,575.83
548 - Kingston*	$1,523,394.44	$486,841.84	$2,537,265.70	$112,888.12	$1,701.97	$4,662,092.07
555 - Liverpool	$1,512,198.60	$367,032.25	$1,623,279.92	$54,540.20	$921.52	$3,557,972.49
560 - Lockeport	$326,334.53	$36,557.54	$268,612.27	$10,950.63	$162.75	$642,617.72
565 - Lunenburg	$1,312,654.07	$491,829.62	$1,231,353.01	$39,405.53	$1,844.95	$3,077,087.18
570 - Mahone Bay	$842,910.31	$332,665.50	$990,812.58	$30,807.22	$867.56	$2,198,063.17
572 - Meteghan	$856,638.91	$177,095.44	$1,371,570.09	$33,744.23	$455.73	$2,439,504.40
573 - Middleton	$716,497.14	$194,206.47	$1,049,335.90	$42,527.21	$442.61	$2,003,009.33
574 - New Minas	$1,986,816.15	$708,868.88	$2,569,911.48	$156,262.22	$4,125.14	$5,425,983.87
575 - New Germany	$399,122.45	$66,188.05	$590,276.17	$14,507.20	$269.52	$1,070,363.39
585 - Shelburne	$895,708.07	$217,708.58	$1,071,828.65	$44,348.14	$493.63	$2,230,087.07
590 - West Pubnico	$479,438.60	$69,226.84	$333,642.09	$14,196.40	$400.71	$896,904.64
591 - Weymouth	$472,045.74	$99,810.76	$788,758.73	$22,835.84	$382.00	$1,383,833.07
595 - Wolfville*	$1,060,959.49	$679,685.69	$1,495,001.87	$85,510.62	$2,020.40	$3,323,178.07
598 - Yarmouth*	$3,116,195.24	$740,547.72	$3,634,694.72	$143,499.92	$2,212.95	$7,637,150.55
TOTAL REGION 5	**$25,817,029.71**	**$7,604,596.73**	**$33,052,748.32**	**$1,339,802.74**	**$27,891.51**	**$67,842,069.01**

TOTAL STORES	$127,110,130.79	$49,698,866.81	$186,023,377.80	$7,990,665.80	$316,007.31	$371,139,048.51
PRODUCER SALES	$0.00	$1,128,634.00	$3,741,350.00			$4,869,984.00
GRAND TOTAL SALES	$127,110,130.79	$50,827,500.81	$189,764,727.80	$7,990,665.80	$316,007.31	$376,009,032.51

* Stores with Port of Wines sections.

REGION 4 - CAPE BRETON						
407 - Arichat	$552,623.48	$85,458.29	$722,770.54	$22,844.44	$923.46	$1,384,620.21
408 - Baddeck	$978,885.89	$374,623.74	$1,328,789.63	$42,870.64	$1,168.13	$2,726,338.03
413 - Chéticamp	$610,627.76	$178,767.54	$994,396.19	$41,728.32	$1,129.88	$1,826,649.69
416 - Dominion	$393,549.74	$46,280.60	$761,979.22	$21,470.88	$358.47	$1,223,638.91
426 - Glace Bay	$2,429,856.07	$337,816.64	$4,782,466.07	$182,404.76	$1,112.63	$7,733,656.17
431 - Inganish	$557,651.19	$222,109.82	$794,587.26	$31,901.55	$1,078.53	$1,607,328.35
436 - Inverness	$715,806.09	$159,405.21	$1,200,080.76	$35,650.80	$763.67	$2,111,706.53
441 - Louisbourg	$364,685.20	$63,801.13	$559,364.26	$13,865.82	$505.18	$1,002,221.59
445 - New Waterford	$1,182,253.09	$151,159.00	$2,690,551.40	$80,180.41	$610.48	$4,104,754.38
451 - North Sydney	$1,995,863.99	$352,779.12	$2,762,655.13	$144,341.53	$1,319.25	$5,256,959.02
455 - Port Hawkesbury*	$2,231,486.34	$591,957.52	$3,029,702.05	$116,099.01	$5,394.63	$5,974,639.55
460 - Port Hood	$633,410.15	$110,006.70	$672,909.60	$17,015.84	$798.99	$1,434,141.28
477 - St. Peters	$593,505.99	$110,891.16	$1,036,259.71	$34,099.56	$509.45	$1,775,265.87
479 - Sydney	$1,755,257.01	$463,145.29	$2,147,848.33	$93,559.83	$1,369.75	$4,461,180.21
480 - Mayflower Mall*	$716,518.77	$239,968.89	$285,573.77	$33,396.80	$1,337.60	$1,276,795.83
481 - Sydney Welton Street*	$2,137,218.09	$408,430.86	$3,149,508.12	$130,563.97	$1,362.44	$5,827,083.48
483 - Whitney Pier	$502,072.08	$66,950.49	$873,291.96	$18,786.36	$361.30	$1,461,462.19
490 - Sydney Mines	$1,018,463.07	$134,709.20	$2,249,023.49	$73,645.74	$382.40	$3,476,223.90
496 - Sydney River*	$3,697,644.25	$1,122,903.02	$6,138,280.39	$297,298.87	$7,804.05	$11,263,930.58
TOTAL REGION 4	**$23,067,378.25**	**$5,221,164.22**	**$36,180,037.88**	**$1,431,725.13**	**$28,290.29**	**$65,928,595.77**

REGION 5 - VALLEY & SOUTH SHORE						
501 - Annapolis	$707,124.65	$269,261.00	$932,314.18	$40,357.75	$1,242.02	$1,950,299.60
504 - Barrington Passage	$1,000,679.32	$104,981.00	$1,153,484.19	$62,544.43	$630.01	$2,322,318.95
505 - Bridgewater*	$3,016,891.37	$1,015,767.55	$3,944,387.11	$137,738.31	$4,991.36	$8,119,775.70
506 - Bridgewater Mall	$939,476.32	$259,327.82	$404,484.69	$35,100.90	$1,156.22	$1,639,545.95
509 - Caledonia	$273,841.08	$61,691.47	$385,773.16	$13,733.00	$166.89	$735,205.60
511 - Berwick	$916,355.05	$203,763.18	$1,421,223.01	$43,949.14	$619.81	$2,585,910.19
515 - Bridgetown	$410,803.58	$96,109.66	$612,280.32	$23,521.89	$272.09	$1,142,987.54
520 - Digby	$1,439,231.04	$414,226.14	$1,938,917.57	$76,052.00	$1,175.88	$3,869,602.63
546 - Kentville*	$1,611,713.56	$511,203.73	$2,703,540.91	$100,781.84	$1,335.79	$4,928,575.83
548 - Kingston*	$1,523,394.44	$486,841.84	$2,537,265.70	$112,888.12	$1,701.97	$4,662,092.07
555 - Liverpool	$1,512,198.60	$367,032.25	$1,623,279.92	$54,540.20	$921.52	$3,557,972.49
560 - Lockeport	$326,334.53	$36,557.54	$268,612.27	$10,950.63	$162.75	$642,617.72
565 - Lunenburg	$1,312,654.07	$491,829.62	$1,231,353.01	$39,405.53	$1,844.95	$3,077,087.18
570 - Mahone Bay	$842,910.31	$332,665.50	$990,812.58	$30,807.22	$867.56	$2,198,063.17
572 - Meteghan	$856,638.91	$177,095.44	$1,371,570.09	$33,744.23	$455.73	$2,439,504.40
573 - Middleton	$716,497.14	$194,206.47	$1,049,335.90	$42,527.21	$442.61	$2,003,009.33
574 - New Minas	$1,986,816.15	$708,868.88	$2,569,911.48	$156,262.22	$4,125.14	$5,425,983.87
575 - New Germany	$399,122.45	$66,188.05	$590,276.17	$14,507.20	$269.52	$1,070,363.39
585 - Shelburne	$895,708.07	$217,708.58	$1,071,828.65	$44,348.14	$493.63	$2,230,087.07
590 - West Pubnico	$479,438.60	$69,226.84	$333,642.09	$14,196.40	$400.71	$896,904.64
591 - Weymouth	$472,045.74	$99,810.76	$788,758.73	$22,835.84	$382.00	$1,383,833.07
595 - Wolfville*	$1,060,959.49	$679,685.69	$1,495,001.87	$85,510.62	$2,020.40	$3,323,178.07
598 - Yarmouth*	$3,116,195.24	$740,547.72	$3,634,694.72	$143,499.92	$2,212.95	$7,637,150.55
TOTAL REGION 5	**$25,817,029.71**	**$7,604,596.73**	**$33,052,748.32**	**$1,339,802.74**	**$27,891.51**	**$67,842,069.01**

TOTAL STORES	$127,110,130.79	$49,698,866.81	$186,023,377.80	$7,990,665.80	$316,007.31	$371,139,048.51
PRODUCER SALES	$0.00	$1,128,634.00	$3,741,350.00			$4,869,984.00
GRAND TOTAL SALES	$127,110,130.79	$50,827,500.81	$189,764,727.80	$7,990,665.80	$316,007.31	$376,009,032.51

* Stores with Port of Wines sections.

NSLC USEFUL FACTS AS OF MARCH 31, 2001

100	Number of NSLC self service retail stores serving communities across Nova Scotia
24	Number of NSLC retail outlets that offer specialty Port of Wine products
9	Number of NSLC retail outlets positioned within large grocery chains across Nova Scotia
7	Number of NSLC retail outlets that offer Bottle Your Own Wine; bulk buying
2	Number of NSLC retail outlets that offer Drive Thru service
7	Number of Farm & Cottage Wineries operating in Nova Scotia
4	Number of Brew Pubs operating in Nova Scotia
5	Number of independent breweries operating in Nova Scotia with private retail stores adjacent to the manufacturing facility.

20	Number of NSLC retail outlets offering between 1000 - 1500 brands for sale
65	Number of NSLC retail outlets offering between 500 - 1000 brands for sale
15	Number of NSLC retail outlets offering between 300 - 500 brands for sale
6	Number of days of week NSLC stores are open; average store open 60 hrs./wk.
15.2 million	Total number of transactions in NSLC retail outlets in fiscal 2000/01
2000	Approximate number of product tastings conducted in NSLC retail outlets annually
19.5	Percentage of all NSLC transactions paid for by debit card
6.2	Percentage of all NSLC transactions paid for by credit card

$376.4 million	The NSLC's net sales in fiscal 2000/01
$137.2 million	Net Operating Profit the NSLC transferred to the Province of Nova Scotia for the fiscal year 2000/01
$636.0 million	Profits the NSLC transferred to the Province in the last 5 fiscal years combined
$1.2 billion	Profits the NSLC transferred to the Province in the 1990's
36.5%	NSLC's Net Operating Income margin in fiscal 2000/01
12.6%	The NSLC's operational expenses as a percentage of net sales for the fiscal year 2000/01 (down from 13.8% in fiscal 1995-96)
$55.2 million	Amount the NSLC transferred to the provincial government in Harmonized Sales Tax (HST) in fiscal 2000/01
$2.4 million	Amount the NSLC spent on capital improvements to its retail outlets (renovations, relocations, etc.) in fiscal 1999-2000

2000	Number of product listings offered to consumers throughout Nova Scotia: 1100 core brands and 900 Port of Wine brands
43	Number of countries from which the NSLC buys its products
343	Number of suppliers the NSLC purchased product from for fiscal 2000/01
1.6	Percentage retail prices of spirits has increased since 1994
2.5	Percentage retail prices of wines has increased since 1993
4.7	Percentage retail prices of beer have increased since 1995
290	Approximate number of products that had a decrease in retail price for fiscal 2000/01

485	Number of permanent full-time NSLC employees
344	Number of NSLC retail staff who have passed the highest level of our Product Master Specialist courses to date
624	Number of NSLC retail staff who have passed Product Knowledge Courses
641	Number of NSLC retail staff who have passed Customer Service Courses
686	Number of NSLC retail staff who have passed Selling Skills Courses
1200	Number of NSLC retail staff who received training in fiscal 1999-2000 to help prevent service to minors or people who appear intoxicated
596	Number of NSLC retail staff who have participated in Hard Target Training; loss prevention and protection program.
84	Percentage of customers who have rated Employee Service as positive
1000	Average number of customer inquiries handled through customer concern line annually

$9,154	Amount raised by NSLC employees for the United Way in fiscal 2000/01
$58,826	Amount raised by NSLC employees for the IWK Grace Children's Hospital in fiscal 2000/01
$17,245	Amount raised by NSLC employees for Metro Food Bank

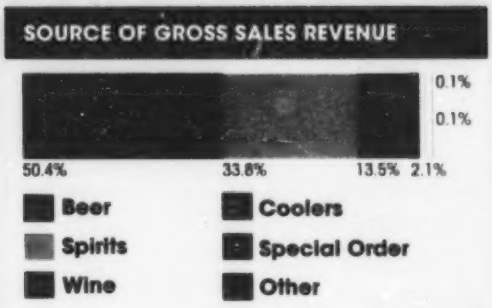
225,441	Number of customers challenged for proof of age or sobriety by NSLC staff in fiscal 2000/01
16,396	Number of customers refused service by NSLC employees for the same period
3,000	Number of customers refused service by NSLC employees; suspected purchasing for minors

SOURCE OF GROSS SALES REVENUE

SOURCE OF GROSS SALES REVENUE

All categories besides Beer and Non-Liquor have increased in sales from 2000. Wine and cooler sales have increased 0.6% and 0.3% respectively.
(Dollars to the nearest 000s)
(Includes Producer Sales)

	127,110.1	33.8%
	50,827.5	13.5%
	189,764.7	50.4%
	7,990.7	2.1%
	316.0	0.1%
	486.0	0.1%
	376,495.0	100.0%



GENERAL - LICENSEE SALES

General sales dollars have increased 1.37% over last year. Licensee sales dollars are up from last year 1.38%.
(Dollars to the nearest 000s)

2001

	113,228.0	89.1%
	13,882.1	10.9%
	127,110.1	100.0%

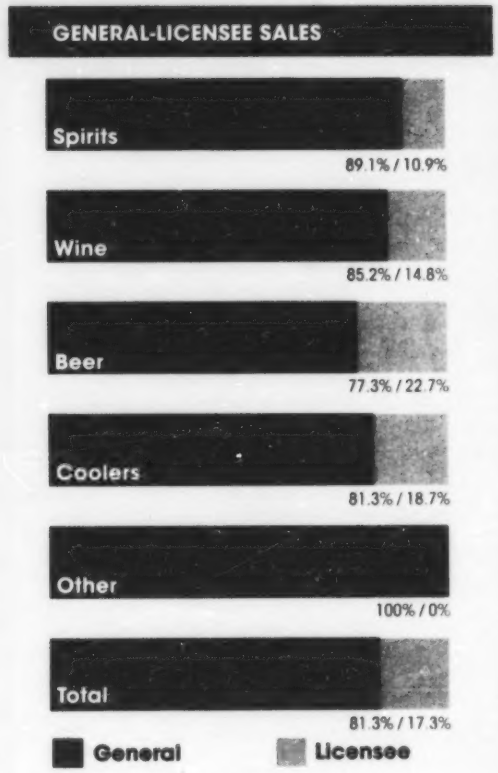
	42,367.1	85.2%
	7,331.8	14.8%
	49,698.9	100.0%

	143,783.1	77.3%
	42,240.2	22.7%
	186,023.4	100.0%

	6,496.6	81.3%
	1,494.1	18.7%
	7,990.7	100.0%

	316.0	100.0%
	0.0	0.0%
	316.0	100.0%

	306,190.8	81.3%
	64,948.2	17.3%
	371,139.0	98.6%
	486.0	0.1%
	4,870.0	1.3%
TOTAL SALES	$376,495.0	100.0%

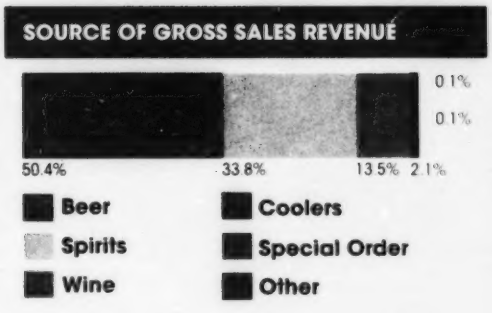


SOURCE OF GROSS SALES REVENUE

SOURCE OF GROSS SALES REVENUE

All categories besides Beer and Non-Liquor have increased in sales from 2000. Wine and cooler sales have increased 0.6% and 0.3% respectively.
(Dollars to the nearest 000s)
(Includes Producer Sales)

Spirits	127,110.1	33.8%
Wine	50,827.5	13.5%
Beer	189,764.7	50.4%
Coolers	7,990.7	2.1%
Other	316.0	0.1%
Special Orders	486.0	0.1%
Total	376,495.0	100.0%



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(Dollars to the nearest 000s)

2001

General	113,228.0	89.1%
Licensee	13,882.1	10.9%
Total	127,110.1	100.0%

General	42,367.1	85.2%
Licensee	7,331.8	14.8%
Total	49,698.9	100.0%

General	143,783.1	77.3%
Licensee	42,240.2	22.7%
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General	6,496.6	81.3%
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General	316.0	100.0%
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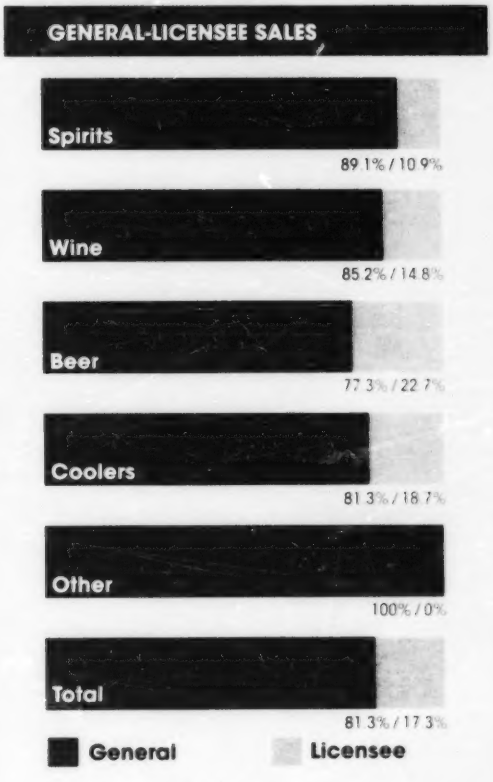


CANADIAN AND IMPORTED SALES

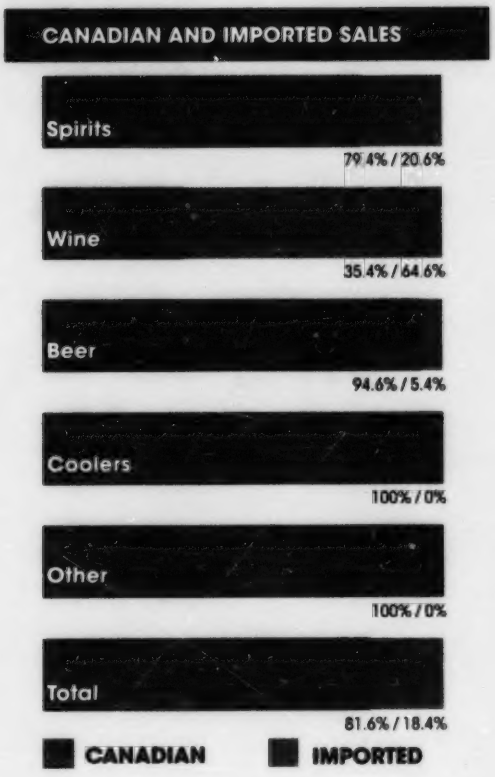
CANADIAN AND IMPORTED SALES

Canadian products account for 81.6% of all products sold; 18.4% are imported. Imports have increased their share by 1.2% over last year.

(Dollars to the nearest 000s)

2001

	100,969.5	79.4%
	26,140.6	20.6%
	127,110.1	100.0%
	17,615.1	35.4%
	32,083.7	64.6%
	49,698.8	100.0%
	175,962.2	94.6%
	10,061.2	5.4%
	186,023.4	100.0%
	7,990.7	100.0%
	0.0	0.0%
	7,990.7	100.0%
	315.8	99.9%
	0.2	0.1%
	316.0	100.0%
	302,853.3	81.6%
	68,285.7	18.4%
	371,139.0	100.0%
	486.0	
	4,870.0	
	376,495.0	

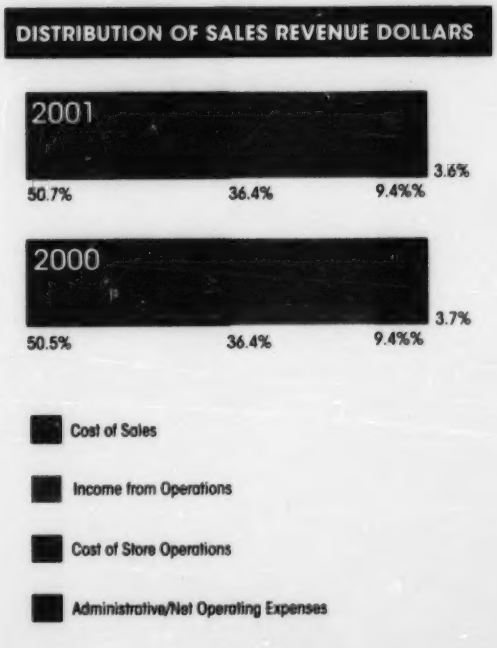


DISTRIBUTION OF SALES REVENUE DOLLARS

Two Year Comparison (Relatively Stable). Cost of Store Operations remained constant while administrative decreased as a percentage of total sales.

(Dollars to the nearest 000s)

	190,735.0	50.7%
	35,196.1	9.4%
	4,530.2	1.2%
	9,734.3	2.6%
	(2,008.7)	(0.5%)
	137,183.0	36.4%
	1,033.7	0.3%
	187,608.8	50.5%
	34,946.0	9.4%
	4,401.8	1.2%
	10,276.1	2.8%
	(1,789.4)	(0.5%)
	135,170.0	36.4%
	751.4	0.2%



FIVE YEAR SALES COMPARISON

For the fourth year, the Spirit category has shown an increase. Beer sales were down this year from last, but coolers and wine continue to improve.

(Dollars to the nearest 000s)

(Includes Producer Sales)

BY CLASS OF SALES ($)

	127,110.1	50,827.5	189,764.7	7,990.7	316.0	486.0	376,495.0
	125,452.0	47,784.0	190,784.5	6,829.0	321.6	442.7	371,613.9
	120,258.6	42,231.1	182,426.9	6,007.1	328.1	477.5	351,729.3
	117,025.4	38,012.0	172,019.8	4,203.8	353.4	400.7	332,015.2
	115,810.9	34,446.6	169,119.7	3,906.9	290.4	298.3	323,872.8

CDN VS. IMP-GROSS LIQUOR REVENUE ($)

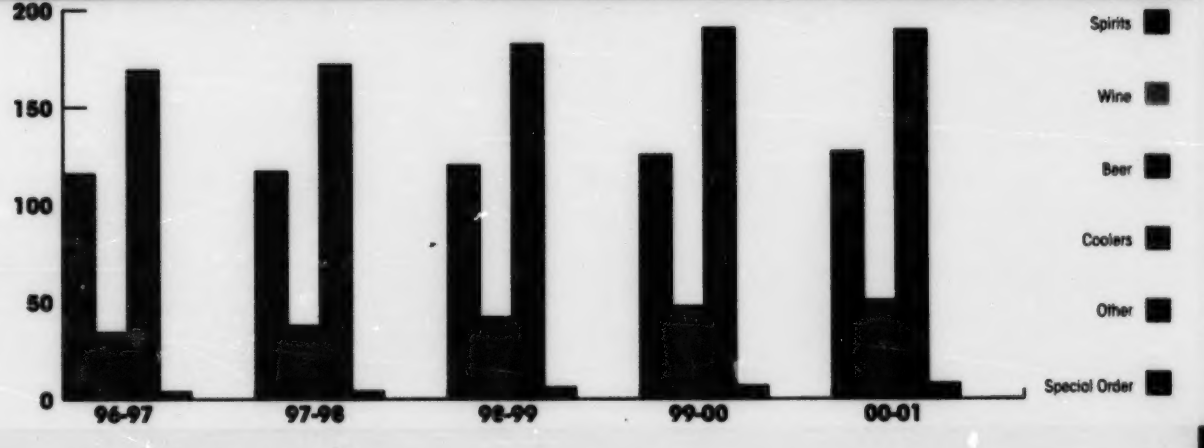
	100,969.5	18,743.7	179,703.6	7,990.7	315.8	N/A	307,723.3
	26,140.6	32,083.7	10,061.2	0.0	0.2	N/A	68,285.7
	101,381.4	17,989.5	181,719.5	6,687.2	321.5	N/A	308,099.1
	24,070.7	29,794.5	9,064.9	141.9	0.0	N/A	63,072.0
	100,769.4	18,714.9	175,364.6	4,725.4	327.6	N/A	284,079.0
	19,489.2	23,516.1	7,062.3	1,281.6	0.5	N/A	47,535.4
	98,077.9	15,945.6	166,785.0	2,918.9	351.6	N/A	278,376.2
	18,947.5	22,066.4	5,234.8	1,284.8	1.8	N/A	45,198.3
	97,634.3	14,708.5	163,735.4	2,008.6	289.5	N/A	278,347.4
	18,176.7	19,738.1	5,384.3	1,898.4	0.8	N/A	41,412.9

LICENSEE SALES ($)

	13,882.1	7,331.8	42,240.2	1,494.1	0.0	N/A	64,948.2
	13,841.9	6,829.8	42,231.9	1,159.1	0.0	N/A	62,550.8
	13,370.1	6,024.1	42,236.0	920.4	0.2	N/A	59,308.7
	12,781.2	5,541.0	40,467.0	519.1	0.5	N/A	54,426.5
	11,372.7	4,774.2	37,900.0	379.6	N/A	N/A	52,943.0

Note: "Other" is Non Liquor

BY CLASS OF SALES (IN MILLIONS OF DOLLARS)



CANADIAN AND IMPORTED SALES

CANADIAN AND IMPORTED SALES

Canadian products account for 81.6% of all products sold; 18.4% are imported. Imports have increased their share by 1.2% over last year.

(Dollars to the nearest 000s)

2001

Canadian	100,969.5	79.4%
Imported	26,140.6	20.6%
Total	127,110.1	100.0%
Canadian	17,615.1	35.4%
Imported	32,083.7	64.6%
Total	49,698.8	100.0%
Canadian	175,962.2	94.6%
Imported	10,061.2	5.4%
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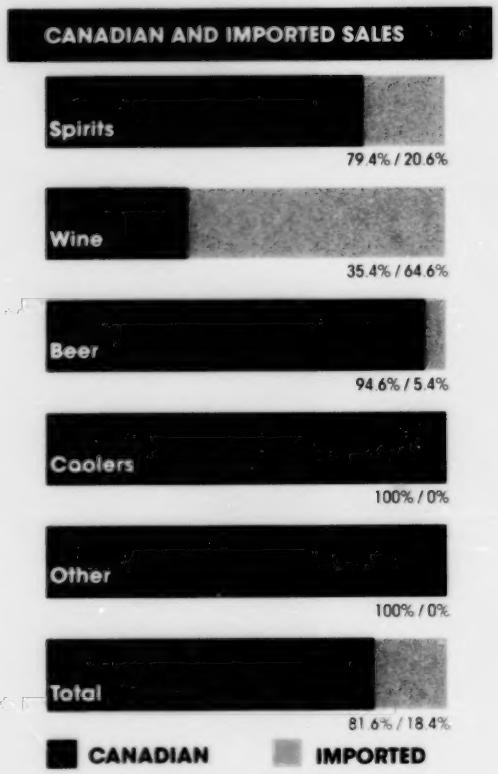
Imported	0.0	0.0%
Total	7,990.7	100.0%
Canadian	315.8	99.9%
Imported	0.2	0.1%
Total	316.0	100.0%
Canadian	302,853.3	81.6%
Imported	68,285.7	18.4%
Total	371,139.0	100.0%
Special Orders	486.0	
Producer	4,870.0	
Total Sales	376,495.0	

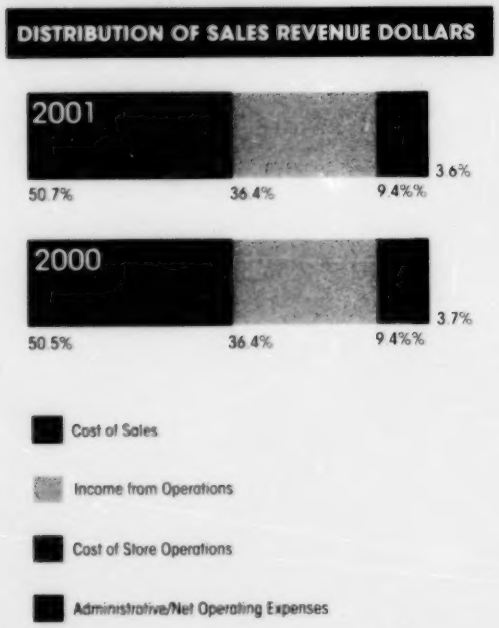


DISTRIBUTION OF SALES REVENUE DOLLARS

Two Year Comparison (Relatively Stable). Cost of Store Operations remained constant while administrative decreased as a percentage of total sales.

(Dollars to the nearest 000s)

Cost of Sales	190,735.0	50.7%
Cost of Store Operations	35,196.1	9.4%
Warehouse&Distribution	4,530.2	1.2%
Administrative Expense	9,734.3	2.6%
Other Revenue/Expense	(2,008.7)	(0.5%)
Income from Operations	137,183.0	36.4%
Unusual Item	1,033.7	0.3%
Cost of Sales	187,608.8	50.5%
Cost of Store Operations	34,946.0	9.4%
Warehouse&Distribution	4,401.8	1.2%
Administrative Expense	10,276.1	2.8%
Other Revenue/Expense	(1,789.4)	(0.5%)
Income from Operations	135,170.0	36.4%
Unusual Item	751.4	0.2%



FIVE YEAR SALES COMPARISON

For the fourth year, the Spirit category has shown an increase. Beer sales were down this year from last, but coolers and wine continue to improve.

(Dollars to the nearest 000s)

(Includes Producer Sales)

BY CLASS OF SALES ($)

00-01	127,110 1	50,827 5	189,764 7	7,990 7	316 0	486 0	376,495 0
00-99	125,452 0	47,784 0	190,784 5	6,829 0	321 6	442 7	371,613 9
98-99	120,258 6	42,231 1	182,426 9	6,007 1	328 1	477 5	351,729 3
97-98	117,025 4	38,012 0	172,019 8	4,203 8	353 4	400 7	332,015 2
96-97	115,810 9	34,446 6	169,119 7	3,906 9	290 4	298 3	323,872 8

CDN VS. IMP-GROSS LIQUOR REVENUE ($)

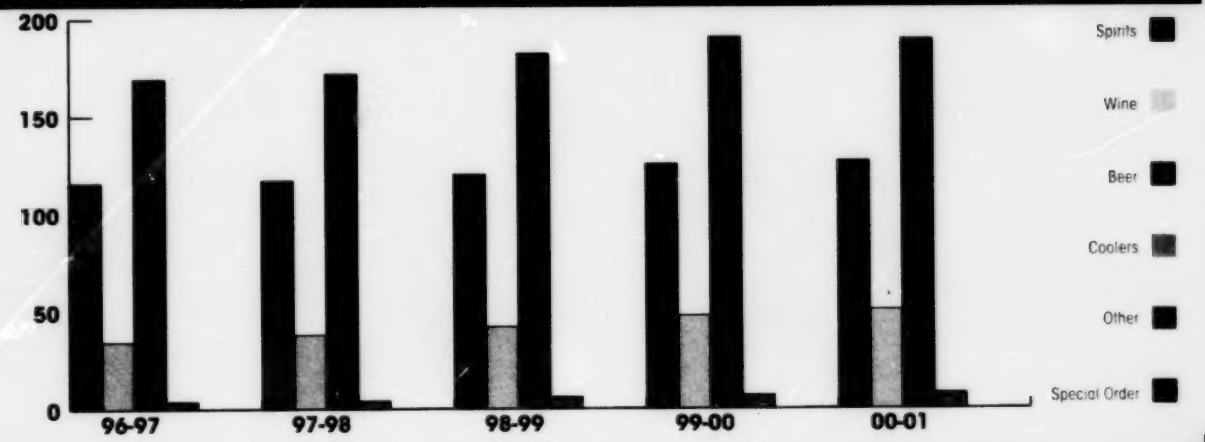
Cdn 00-01	100,969 5	18,743 7	179,703 6	7,990 7	315 8	N/A	307,723 3
Imp	26,140 6	32,083 7	10,061 2	0 0	0 2	N/A	68,285 7
Cdn 00-99	101,381 4	17,989 5	181,719 5	6,687 2	321 5	N/A	308,099 1
Imp	24,070 7	29,794 5	9,064 9	141 9	0 0	N/A	63,072 0
Cdn 98-99	100,769 4	18,714 9	175,364 6	4,725 4	327 6	N/A	284,079 0
Imp	19,489 2	23,516 1	7,062 3	1,281 6	0 5	N/A	47,535 4
Cdn 97-98	98,077 9	15,945 6	166,785 0	2,918 9	351 6	N/A	278,376 2
Imp	18,947 5	22,066 4	5,234 8	1,284 8	1 8	N/A	45,198 3
Cdn 96-97	97,634 3	14,708 5	163,735 4	2,008 6	289 5	N/A	278,347 4
Imp	18,176 7	19,738 1	5,384 3	1,898 4	0 8	N/A	41,412 9

LICENSEE SALES ($)

00-01	13,882 1	7,331 8	42,240 2	1,494 1	0 0	N/A	64,948 2
00-99	13,841 9	6,829 8	42,231 9	1,159 1	0 0	N/A	62,550 8
98-99	13,370 1	6,024 1	42,236 0	920 4	0 2	N/A	59,308 7
97-98	12,781 2	5,541 0	40,467 0	519 1	0 5	N/A	54,426 5
96-97	11,372 7	4,774 2	37,900 0	379 6	N/A	N/A	52,943 0

Note: "Other" is Non Liquor

BY CLASS OF SALES (IN MILLIONS OF DOLLARS)



SALES OF ALCOHOLIC BEVERAGES BY VOLUME PER CAPITA

(Litres per capita - 5 year comparison)

SPIRITS					
Newfoundland	7.0	6.8	6.8	7.1	7.3
Prince Edward Island	5.9	6.5	5.3	7.0	7.5
Nova Scotia	6.8	6.7	6.7	7.4	7.4
New Brunswick	5.3	5.3	5.4	5.7	4.6
Quebec	2.5	2.5	2.5	2.6	2.7
Ontario	5.7	5.7	6.3	6.9	7.4
Manitoba	8.1	7.9	8.0	8.3	8.7
Saskatchewan	7.6	7.5	7.7	8.1	6.9
Alberta	7.7	7.7	7.9	8.0	7.9
British Columbia	6.7	6.8	6.9	7.0	5.8
Yukon	11.4	11.9	12.6	12.8	12.5
Northwest Territories	9.4	9.5	10.0	9.7	10.9
TOTAL	5.4	5.4	5.7	6.1	6.0

BEER					
Newfoundland	91.4	89.5	86.0	89.7	90.0
Prince Edward Island	75.6	79.6	74.2	76.3	77.3
Nova Scotia	74.6	73.6	73.8	77.8	79.5
New Brunswick	76.7	74.2	74.8	77.2	80.5
Quebec	91.0	87.8	87.5	94.4	95.3
Ontario	85.3	91.6	91.0	82.3	85.9
Manitoba	77.0	75.8	76.7	77.1	76.2
Saskatchewan	70.8	69.5	71.9	72.7	78.5
Alberta	86.7	84.9	88.5	91.3	89.4
British Columbia	85.6	84.0	82.5	81.0	78.1
Yukon	145.9	151.1	146.8	143.3	152.5
Northwest Territories	80.9	81.7	78.2	79.3	79.5
TOTAL	85.7	82.9	82.8	85.3	86.7

WINE					
Newfoundland	3.5	3.6	3.8	4.1	4.7
Prince Edward Island	4.6	5.5	5.7	6.0	6.3
Nova Scotia	5.7	6.0	6.5	6.7	7.7
New Brunswick	4.8	5.0	5.4	5.9	8.0
Quebec	12.4	12.9	13.0	14.2	15.3
Ontario	9.5	9.8	10.0	10.2	10.6
Manitoba	6.3	6.6	6.9	7.3	7.4
Saskatchewan	4.3	4.4	4.6	4.7	6.2
Alberta	9.4	10.1	11.1	12.2	12.0
British Columbia	14.4	14.3	14.0	13.8	15.4
Yukon	17.3	19.0	18.8	17.7	11.9
Northwest Territories	5.3	5.5	6.4	7.0	6.0
TOTAL	10.2	10.6	10.7	11.2	12.0

ALL ALCOHOLIC BEVERAGES					
Newfoundland	101.9	100.0	96.6	100.9	101.9
Prince Edward Island	86.1	91.6	86.2	89.4	91.1
Nova Scotia	87.1	86.2	86.9	91.9	94.6
New Brunswick	86.8	84.5	85.5	88.9	93.1
Quebec	105.9	103.2	103.0	111.1	113.3
Ontario	100.5	98.6	97.2	99.4	103.9
Manitoba	91.4	90.3	91.7	92.7	92.3
Saskatchewan	82.7	81.5	84.3	85.5	91.6
Alberta	103.8	102.5	107.5	111.5	109.3
British Columbia	109.5	105.2	103.5	101.8	99.3
Yukon	183.2	182.0	178.3	173.8	176.9
Northwest Territories	96.6	96.7	94.6	95.9	96.4
TOTAL	99.4	98.9	98.2	102.6	104.7

NOTE:

1. All figures as based on the Fiscal year ended March 31, except for the Alberta Liquor Control Board which ends nearest to December 31.

2. These figures contain revisions based on the 1991 census estimates.

Source: Public Institutions Division, Statistics Canada

SALES IN HECTOLITRES – FIVE YEARS

(Approximate Hectolitres - includes producer outlets)
Spirits volumes have increased for the fourth year in a row.
Wine has been steadily increasing in volume since 1995/96

	2000/01		1999/00		1998/99		1997/98		1996/97	
Canadian	40,707.6		40,756.9		40,668.4		40,058.6		40,449.9	
Imported	9,997.1		9,243.0		7,553.3		7,014.7		6,621.9	
Total	**50,704.7**	**7.0%**	**49,999.9**	**6.9%**	**48,221.6**	**6.9%**	**47,073.2**	**7.1%**	**47,071.8**	**7.2%**
Canadian	27,982.4		27,350.1		25,406.9		24,703.6		23,290.0	
Imported	26,655.5		25,192.1		22,681.9		20,109.8		18,945.0	
Total	**54,637.9**	**7.5%**	**52,542.2**	**7.3%**	**48,088.8**	**6.9%**	**44,813.4**	**6.7%**	**42,235.0**	**6.4%**
Canadian	564,970.7		580,603.0		569,277.9		552,781.5		544,260.4	
Imported	38,824.5		27,458.3		19,178.4		12,577.4		14,377.6	
Total	**603,795.2**	**83.2%**	**608,061.3**	**84.0%**	**588,456.3**	**84.6%**	**565,358.9**	**84.8%**	**558,638.0**	**85.3%**
Canadian	16,314.9		12,738.0		8,458.0		5,161.8		4,227.2	
Imported	160.0		238.9		2,067.7		2,038.8		2,827.9	
Total	**16,474.9**	**2.3%**	**12,976.9**	**1.8%**	**10,525.7**	**1.5%**	**7,200.6**	**1.4%**	**7,055.1**	**1.1%**
Canadian	0.0		0.0		0.0		0.0		0.0	
Imported	(0.1)		8.4		0.9		2.2		2.0	
Total	**(0.1)**	**0.0%**	**8.4**	**0.0%**	**0.9**	**0.0%**	**2.2**	**0.0%**	**2.0**	**0.0%**
GRAND TOTAL	**725,612.6**	**100.0%**	**723,588.7**	**100.0%**	**695,293.3**	**100.0%**	**664,448.3**	**100.0%**	**655,001.9**	**100.0%**

SALES OF ALCOHOLIC BEVERAGES BY VOLUME PER CAPITA

(Litres per capita - 5 year comparison)

SPIRITS					
[illegible]	7.0	6.8	6.8	7.1	7.3
[illegible]	5.9	6.5	5.3	7.0	7.5
[illegible]	6.8	6.7	6.7	7.4	7.4
[illegible]	5.3	5.3	5.4	5.7	4.6
[illegible]	2.5	2.5	2.5	2.6	2.7
[illegible]	5.7	5.7	6.3	6.9	7.4
[illegible]	8.1	7.9	8.0	8.3	8.7
[illegible]	7.6	7.5	7.7	8.1	6.9
[illegible]	7.7	7.7	7.9	8.0	7.9
[illegible]	6.7	6.8	6.9	7.0	5.8
[illegible]	11.4	11.9	12.6	12.8	12.5
[illegible]	9.4	9.5	10.0	9.7	10.9
TOTAL	5.4	5.4	5.7	6.1	6.0

BEER					
[illegible]	91.4	89.5	86.0	89.7	90.0
[illegible]	75.6	79.6	74.2	76.3	77.3
[illegible]	74.6	73.6	73.8	77.8	79.5
[illegible]	76.7	74.2	74.8	77.2	80.5
[illegible]	91.0	87.8	87.5	94.4	95.3
[illegible]	85.3	91.6	91.0	82.3	85.9
[illegible]	77.0	75.8	76.7	77.1	76.2
[illegible]	70.8	69.5	71.9	72.7	78.5
[illegible]	86.7	84.9	88.5	91.3	89.4
[illegible]	85.6	84.0	82.5	81.0	78.1
[illegible]	145.9	151.1	146.8	143.3	152.5
[illegible]	80.9	81.7	78.2	79.3	79.5
TOTAL	85.7	82.9	82.8	85.3	86.7

WINE					
[illegible]	3.5	3.6	3.8	4.1	4.7
[illegible]	4.6	5.5	5.7	6.0	6.3
[illegible]	5.7	6.0	6.5	6.7	7.7
[illegible]	4.8	5.0	5.4	5.9	8.0
[illegible]	12.4	12.9	13.0	14.2	15.3
[illegible]	9.5	9.8	10.0	10.2	10.6
[illegible]	6.3	6.6	6.9	7.3	7.4
[illegible]	4.3	4.4	4.6	4.7	6.2
[illegible]	9.4	10.1	11.1	12.2	12.0
[illegible]	14.4	14.3	14.0	13.8	15.4
[illegible]	17.3	19.0	18.8	17.7	11.9
[illegible]	5.3	5.5	6.4	7.0	6.0
TOTAL	10.2	10.6	10.7	11.2	12.0

ALL ALCOHOLIC BEVERAGES					
[illegible]	101.9	100.0	96.6	100.9	101.9
[illegible]	86.1	91.6	86.2	89.4	91.1
[illegible]	87.1	86.2	86.9	91.9	94.6
[illegible]	86.8	84.5	85.5	88.9	93.1
[illegible]	105.9	103.2	103.0	111.1	113.3
[illegible]	100.5	98.6	97.2	99.4	103.9
[illegible]	91.4	90.3	91.7	92.7	92.3
[illegible]	82.7	81.5	84.3	85.5	91.6
[illegible]	103.8	102.5	107.5	111.5	109.3
[illegible]	109.5	105.2	103.5	101.8	99.3
[illegible]	183.2	182.0	178.3	173.8	176.9
[illegible]	96.6	96.7	94.6	95.9	96.4
TOTAL	99.4	98.9	98.2	102.6	104.7

NOTE:

1. All figures as based on the Fiscal year ended March 31, except for the Alberta Liquor Control Board which ends nearest to December 31.

2. These figures contain revisions based on the 1991 census estimates.

Source: Public Institutions Division, Statistics Canada

SALES IN HECTOLITRES – FIVE YEARS

(Approximate Hectolitres - includes producer outlets)
Spirits volumes have increased for the fourth year in a row.
Wine has been steadily increasing in volume since 1995/96

	2000/01		1999/00		1998/99		1997/98		1996/97	
	40,707.6		40,756.9		40,668.4		40,058.6		40,449.9	
	9,997.1		9,243.0		7,553.3		7,014.7		6,621.9	
	50,704.7	**7.0%**	**49,999.9**	**6.9%**	**48,221.6**	**6.9%**	**47,073.2**	**7.1%**	**47,071.8**	**7.2%**
	27,982.4		27,350.1		25,406.9		24,703.6		23,290.0	
	26,655.5		25,192.1		22,681.9		20,109.8		18,945.0	
	54,637.9	**7.5%**	**52,542.2**	**7.3%**	**48,088.8**	**6.9%**	**44,813.4**	**6.7%**	**42,235.0**	**6.4%**
	564,970.7		580,603.0		569,277.9		552,781.5		544,260.4	
	38,824.5		27,458.3		19,178.4		12,577.4		14,377.6	
	603,795.2	**83.2%**	**608,061.3**	**84.0%**	**588,456.3**	**84.6%**	**565,358.9**	**84.8%**	**558,638.0**	**85.3%**
	16,314.9		12,738.0		8,458.0		5,161.8		4,227.2	
	160.0		238.9		2,067.7		2,038.8		2,827.9	
	16,474.9	**2.3%**	**12,976.9**	**1.8%**	**10,525.7**	**1.5%**	**7,200.6**	**1.4%**	**7,055.1**	**1.1%**
	0.0		0.0		0.0		0.0		0.0	
	(0.1)		8.4		0.9		2.2		2.0	
	(0.1)	**0.0%**	**8.4**	**0.0%**	**0.9**	**0.0%**	**2.2**	**0.0%**	**2.0**	**0.0%**
GRAND TOTAL	725,612.6	100.0%	723,588.7	100.0%	695,293.3	100.0%	664,448.3	100.0%	655,001.9	100.0%

AUDITORS' REPORT

Financial Statements of the Nova Scotia Liquor Commission
Year Ended March 31, 2001

To the Honourable Minister
in Charge of Administration
Liquor Control Act
Province of Nova Scotia
Halifax, Nova Scotia

We have audited the balance sheet of The Nova Scotia Liquor Commission as at March 31, 2001 and the statements of earnings and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The accompanying financial statements do not include recognition of certain employee future benefits as required under a new recommendation issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants titled Employee Future Benefits (Section 3461). Measurement of these obligations would involve significant estimates by management, including the use of actuarial services. Accordingly, we were unable to determine the significance of adjustments required to long-term liability, stores' operating expenses, warehousing and distribution expenses, administrative expenses and earnings from operations.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of employee future benefit obligations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Nova Scotia Liquor Commission as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

KPMG LLP

Halifax, Canada
June 8, 2001

BALANCE SHEET

March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Current assets:		
Cash	$ 8,576	$ 2,001
Accounts receivable	3,117	2,514
Inventories of stock in warehouse and stores	16,804	16,477
Prepaid expenses	245	2,478
	28,742	23,470
Property and equipment:		
Furniture, fixtures and portable equipment	6,131	6,034
Other equipment	7,125	7,015
Computers	5,953	4,821
Land and buildings	12,607	12,511
Capital and leasehold improvements	23,025	22,081
	54,841	52,462
Less accumulated depreciation and amortization	42,145	38,826
	12,696	13,636
Assets under capital lease	10,831	10,831
Less accumulated amortization	8,356	7,995
	2,475	2,836

	2001	2000
Current liabilities:		
Accounts payable and accrued liabilities	$ 18,533	$ 15,924
Current portion of obligations under capital leases (note 2)	368	279
	18,901	16,203
Long-term liability:		
Obligation under capital lease (note 2)	8,160	8,569
Due to Minister of Finance:		
Balance, beginning of year	15,170	14,050
Remittances	15,170	14,050
	–	–
Current year:		
Net income	137,183	135,170
Remittances	120,331	120,000
Balance, end of year	16,852	15,170
Operating leases (note 3)		

See accompanying notes to financial statements.

BALANCE SHEET

March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Current assets:		
Cash	$ 8,576	$ 2,001
Accounts receivable	3,117	2,514
Inventories of stock in warehouse and stores	16,804	16,477
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	28,742	23,470
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Accounts payable and accrued liabilities	$ 18,533	$ 15,924
Current portion of obligations under capital leases (note 2)	368	279
	18,901	16,203
Long-term liability:		
Obligation under capital lease (note 2)	8,160	8,569
Due to Minister of Finance:		
Balance, beginning of year	15,170	14,050
Remittances	15,170	14,050
	–	–
Current year:		
Net income	137,183	135,170
Remittances	120,331	120,000
Balance, end of year	16,852	15,170
Operating leases (note 3)		

See accompanying notes to financial statements.

STATEMENT OF EARNINGS

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	% of Sales	2000	% of Sales
Net sales	$ 376,404	100.0	$ 371,365	100.0
Cost of goods sold	190,735	50.7	187,609	50.5
	185,669	49.3	183,756	49.5
Stores' operating expenses	33,321	8.8	33,787	9.1
Income, store operations	152,348	40.5	149,969	40.4
Depreciation	3,678	1.0	3,465	0.9
Warehousing and distribution expenses	3,980	1.1	3,850	1.0
Administrative expenses (note 4)	8,482	2.2	8,522	2.3
Other revenue	(3,395)	(0.9)	(2,856)	(0.7)
Other expenses	1,386	0.4	1,067	0.3
	14,131	3.8	14,048	3.8
Earnings before unusual item	138,217	36.7	135,921	36.6
Early retirement program	1,034	0.3	751	0.2

STATEMENT OF CASH FLOWS

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
Cash provided by (used in):		
Operations:		
Earnings from operations	$ 137,183	$ 135,170
Depreciation and amortization not involving cash	3,678	3,465
Gain on sale of property and equipment	–	–
Change in non-cash operating working capital	3,912	(3,740)
	144,773	134,895
Financing:		
Principal payments on obligations under capital leases	(320)	(279)
Investments:		
Additions to property and equipment	(2,377)	(2,373)
Other:		
Remittances to Minister of Finance	(135,501)	(134,050)
Increase (decrease) in cash	6,575	(1,807)
Cash, beginning of year	2,001	3,808

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2001

The Nova Scotia Liquor Commission administers the Liquor Control Act, Chapter 260 of the Revised Statutes of Nova Scotia, 1989 and is a government business enterprise as defined by Public Sector Accounting Board recommendations.

(a) Inventories:
Inventories of stock in warehouse and stores are valued at the lower of cost and net realizable value. Customs and excise tax have not been included where payment is due upon shipment from bonded warehouse.

(b) Property and equipment:
Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line basis at the following annual rates:

Asset	Rate
Furniture, fixtures, portable equipment, other equipment and capital and leasehold improvements	10%
Computers - stand-alone	33%
Computers - integrated systems	20%
Land and buildings	5%

In the year of addition, depreciation is charged at the full annual rate.

Land costs which normally would not be depreciated are depreciated due to the retention of proceeds by the Province of Nova Scotia.

(c) Assets under capital lease:
Assets under capital lease are amortized over their estimated useful lives using the straight-line method.

The Nova Scotia Liquor Commission has an obligation under a capital lease, which matures in 2012. The obligation represents the total present value of future minimum lease payments discounted at the rate implicit in the lease which is 13.8%. The following is a schedule by years of future minimum lease payments together with the balance of the obligation under capital lease as of March 31, 2001:

2002	$ 1,537
2003	1,536
2004	1,537
2005	1,536
2006	1,537
2007 - 2012	8,834
Total minimum lease payments	16,517
Less amount representing interest	7,989
Balance of obligation	8,528
Less current portion of obligation under capital lease	368
	$ 8,160

STATEMENT OF EARNINGS

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	% of Sales	2000	% of Sales
	$ 376,404	100.0	$ 371,365	100.0
	190,735	50.7	187,609	50.5
	185,669	49.3	183,756	49.5
	33,321	8.8	33,787	9.1
	152,348	40.5	149,969	40.4
	3,678	1.0	3,465	0.9
	3,980	1.1	3,850	1.0
	8,482	2.2	8,522	2.3
	(3,395)	(0.9)	(2,856)	(0.7)
	1,386	0.4	1,067	0.3
	14,131	3.8	14,048	3.8
	138,217	36.7	135,921	36.6
	1,034	0.3	751	0.2

STATEMENT OF CASH FLOWS

Year ended March 31, 2001, with comparative figures for 2000
(In thousands of dollars)

	2001	2000
	$ 137,183	$ 135,170
	3,678	3,465
	–	–
	3,912	(3,740)
	144,773	134,895
	(320)	(279)
	(2,377)	(2,373)
	(135,501)	(134,050)
	6,575	(1,807)
	2,001	3,808

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2001

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Inventories of stock in warehouse and stores are valued at the lower of cost and net realizable value. Customs and excise tax have not been included where payment is due upon shipment from bonded warehouse.

(b) Property and equipment:
Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line basis at the following annual rates:

Furniture, fixtures, portable equipment, other equipment and capital and leasehold improvements	10%
Computers - stand-alone	33%
Computers - integrated systems	20%
Land and buildings	5%

In the year of addition, depreciation is charged at the full annual rate.

Land costs which normally would not be depreciated are depreciated due to the retention of proceeds by the Province of Nova Scotia.

(c) Assets under capital lease:
Assets under capital lease are amortized over their estimated useful lives using the straight-line method.

The Nova Scotia Liquor Commission has an obligation under a capital lease, which matures in 2012. The obligation represents the total present value of future minimum lease payments discounted at the rate implicit in the lease which is 13.8%. The following is a schedule by years of future minimum lease payments together with the balance of the obligation under capital lease as of March 31, 2001:

2002	$ 1,537
2003	1,536
2004	1,537
2005	1,536
2006	1,537
2007 - 2012	8,834
Total minimum lease payments	16,517
Less amount representing interest	7,989
Balance of obligation	8,528
Less current portion of obligation under capital lease	368
	$ 8,160

The Nova Scotia Liquor Commission leases buildings, premises and equipment under operating leases which expire at various dates between 2002 and 2012. Some of these operating leases contain renewal options at the end of the initial lease term.

The following is an approximate schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 2001:

2002	$ 2,939
2003	2,207
2004	1,870
2005	1,278
2006	701
2007 - 2012	2,032
Total minimum payments required	**$ 11,027**

Administrative expenses also include the following:

	2001	2000
(In thousands of dollars)		
Interest on obligation under capital lease	$ 1,216	$ 1,257

Full time employees of the Nova Scotia Liquor Commission are members of the Nova Scotia Public Service Superannuation Plan.

[redacted]

The Nova Scotia Liquor Commission leases buildings, premises and equipment under operating leases which expire at various dates between 2002 and 2012. Some of these operating leases contain renewal options at the end of the initial lease term.

The following is an approximate schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 2001:

2002	$ 2,939
2003	2,207
2004	1,870
2005	1,278
2006	701
2007 - 2012	2,032
[redacted]	[redacted]

[redacted]

Administrative expenses also include the following:

	[redacted]	[redacted]
(In thousands of dollars)		
Interest on obligation under capital lease	$ 1,216	$ 1,257

[redacted]

Full time employees of the Nova Scotia Liquor Commission are members of the Nova Scotia Public Service Superannuation Plan.